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NEWS SUMMARY

GENERAL

Israeli troops enter Lebanon

Israeli troops and tanks moved deep into southern Lebanon in their first major incursion for more than two years.

The move is in response to the Palestinian guerrilla raid on northern Israel three days ago in which eight people died.

It comes at a critical point in negotiations with Egypt and the U.S. over Palestinian autonomy.

Labour attack

Labour's National Executive Committee confirmed that a special party conference attacking Government economic strategy will be held at Wembley on May 31. Back Page

Lancias scrapped

Car manufacturer Lancia admitted it had helped its 120 British dealers to buy back more than 500 Beta models affected by rust, and that the cars were being scrapped in Somerset. Back Page; News analysis, Page 6

Martens resigns

Belgian Premier Wilfried Martens resigned after failing to resolve the third political crisis in five months for his coalition Government. Back Page 2

NATO defection

Woman secretary at NATO's Brussels headquarters, who had access to hundreds of secret plans, defected to East Germany.

IRA killing

IRA gunmen killed a policeman and wounded three others in a west Belfast ambush after taking over a house, and holding a woman and child hostage.

Kagan move

Lord Kagan may return to Britain voluntarily to face currency and tax charges, his lawyer indicated. Extradition proceedings have started for the 64-year-old peer, who is in Paris's Santé prison.

Basque election

Boycott of the Basque Parliament by secessionist MPs led to the election of moderate nationalist leader Carlos Garaicoetkea as head of the region's autonomous government. Page 2. Feature, Page 20.

Search hampered

Bad weather again frustrated attempts by divers seeking the cause of the oil pipeline leak that has kept the North Sea Thistle Field out of action since Sunday.

Kelly inquest

Doctor told the Merseyside inquest into the death in police custody of Jimmy Kelly, 53, that Kelly's heart trouble may have caused him to struggle. Dr. Michael Pearson said that if police forced Kelly to lie down, he would have fought for breath.

Space mission

Soviet Union launched a two-man Soyuz-35 space capsule for link-up with the orbiting Salyut-6 space station.

Briefly . . .

Man died at Kingseat Hospital, Aberdeen, from a mystery virus which has killed 10 Midlands women.

Two Britons and an American were killed in a mine explosion near Suez.

West Bengal police burned the homes of 1,500 villagers who had beaten two officers to death.

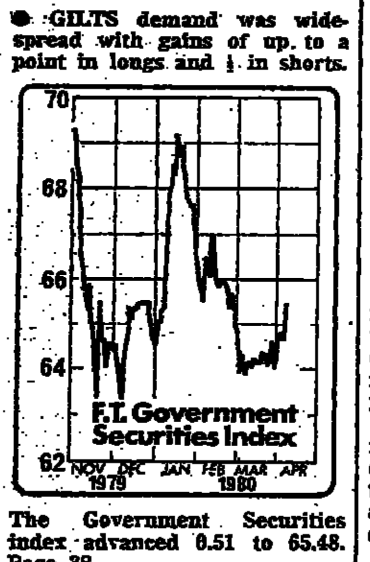
PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to unofficial action by proof-readers who are members of the National Graphical Association.

BUSINESS

Gilts rise 0.51; equities improve

● GILTS demand was widespread with gains of up to a point in longs and ½ in shorts.



The Government Securities index advanced 0.51 to 65.48. Page 38

● EQUITIES improved in thin trading and the FT 30-share index rose 4.6 to 431.3. Page 38

● STERLING ros 1.3c to $2.1800, but its trade-weighted index fell to 72.1 (72.8). DOLLAR'S index was 89.8 (91.8). Page 31

● GOLD gained $8 in London to close at $547.50. Page 31

● WALL STREET was up 7.42 at 782.42 before the close. Page 32.

● BRAZIL'S development agency is to raise a $350m (£160.5m) syndicated credit through Bank of Montreal. Back Page; Euromarkets, Page 28

● FOREIGN direct investment in the U.S. doubled to an estimated $12.5bn (£5.73bn) last year against 1978, according to Government statistics. Page 4

● URGENT measures to halt the growing Japanese penetration of European colour television markets were called for by the Dutch Philips group. Page 4; Philips confidence, Page 29.

● IMPORT CURBS by Norway on textiles from Hong Kong have been declared illegal by a GATT inquiry. Page 4

● BUSINESS failures in the first quarter of the year were the highest since the third quarter of 1977, the Trade Indemnity Company reports. Page 8

● CHINA forecasts growth in gross output value this year of 5.5 per cent against more than 8 per cent last year. Page 3

● GOVERNMENT is pressing ahead with plans to cut Registrar of Companies services despite strong opposition. Page 6

LABOUR

● TUC unions decided against pulling out of the tripartite national working patries considering investment, exports and manpower in UK industry. Page 11

● SCOTTISH TUC criticised Government plans for enterprise zones to stimulate development in run-down inner city areas. Page 8

● CLOTHING industry in the UK has largely itself to blame for its widespread labour supply problems, according to a Clothing Economic Development Committee report. Page 9

COMPANIES

● CRODA International, the chemicals processing group, reports 1979 pre-tax profits down £380,000 to £14.74m due to interest charge rises. Page 24 and Lex, Back Page

● BLACKWOOD HODGE, the earthmoving equipment group, has a /5.56m fall in 1979 pre-tax profits to £10.88m on sales ahead at £281.6m (£246.4m). Page 25

● EMPIRE STORES (Bradford), the mail order concern, lifted pre-tax profits last year by 12.5 per cent to £9.12m, but warned of lower first-half profits in the current year. Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Fndng. 5½pc 82-84...	£78¼	+ ¼
Treas. 12½pc 2003-05 A	£89½	+ 1
Ash and Lacy	185	+ 5
Barclays Bank	398	+ 6
Bowater	174	+ 8
Burton	128	+ 3
City and Intnl.	119	+ 8
Erith	127	+ 7
Ferry Pickering	84	+ 7
Gill and Duffus	132	+ 5
Lndn. Prvncl. Shop	310	+ 8
Mallinson-Denny	67	+ 3½
Pearl	304	+ 14
Peters Stores	68	+ 8
Racal Elec.	225	+ 7
Ruberoid	54	+ 4
BP	376	+ 12
Shell Transport	344	+ 12
Tricentrol	286	+ 12
Doornfontein	622	+ 52
Venterspost	606	+ 35
West Driefontein	£32¼	+ 1½
Western Hldgs.	£29⅞	+ 1⅜
FALLS		
Coral Leisure	73	− 4
GRE	222	− 8
Northern Foods	120	− 4
Yarrow	260	− 10
Leichardt Explor.	215	− 15
Southern Pacific	775	− 50

Raw material and fuel costs growth eases slightly

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The pressure on industry from rapidly rising raw material and fuel costs may have started to ease slightly. But earlier cost increases and recent large pay awards have yet to work through fully to the prices of manufactured products.

So the squeeze on the profit margins and liquidity of manufacturing industry remains tight.

Department of Industry wholesale price indices published yesterday suggest there may have been a turning point last month in the growth of raw material and fuel costs. Both the six and the 12-month rates of increase dropped in March for the first time in nearly a year.

The change of trend follows falls in the prices of many world commodities, notably metals, in the last few weeks and the absence of further major increases in crude oil prices.

The materials and fuel cost index rose by 0.9 per cent in March to 199.4 (1975=100) compared with rises of over 2½ per cent in each of the previous two months.

The six-month rate dropped from 16.8 to 15.6 per cent between February and March, while the 12-month rate dropped from 29 to 28.5 per cent.

After excluding food, drink and tobacco companies, materials costs rose by 1.3 per cent last month. This entirely reflected the impact on crude oil costs of a 3½ per cent decline in the average value of sterling against the dollar during the month.

The prices of copper, gold and silver all fell in March and prices of all materials other than crude oil fell by 2½ per cent in the month in spite of the weakness of the pound.

Nevertheless, a large part of the earlier raw material cost increases has still to show up in wholesale output prices. Prices charged for manufactured products rose by 1.3 per cent last month to 194.0 (1975=100), and the underlying rate of growth is still rising.

The six-month rate of increase edged up from 8.6 to 8.9 per cent last month, only just half the rise in materials costs over the same period. This indicates the extent of the pressure on industry at a time of tough domestic and overseas competition.

The 18-month rate of increase moved up from 18.5 to 18.9 per cent between February and March.

The turning point for output prices may not occur for some months. Similarly, the underlying rate of growth of retail prices may climb for several more months because of the sharp rise in material (notably oil) and labour costs since last summer. The 12-month rate of retail price inflation was 19.1 per cent in mid-February and looks likely to rise above 20 per cent within the next month or two.

After excluding fodo, drink and tobacco companies, the prices of manufactured products rose by 1.3 per cent last month.

Retail sales rise, Page 6

WHOLESALE PRICES
(1975=100)

		Materials and fuel purchased	Output prices (home sales)
1979	1st	153.4	161.6
	2nd	163.3	168.0
	3rd	169.9	176.4
	4th	183.9	181.8
1980	1st*	196.8	191.3
	Jan.	193.5	188.5
	Feb.*	197.6	191.5
	March*	199.4	194.0

* Provisional.
Source: Department of Industry.

BP to raise investment to £1.5bn a year

BY RAY DAFTER, ENERGY EDITOR

BRITISH PETROLEUM plans to increase spending to between £1.5bn and £1.6bn annually between now and 1985, a rise of almost 80 per cent on spending levels in the past five years.

The company will spend £800m a year on exploration and production in a bid to ease its oil supply position. About £400m a year will be invested in the North Sea.

Sir David Steel, chairman, said yesterday that the group was emerging from its most "traumatic" year in terms of supplies. Reduced crude oil deliveries from traditional sources like Nigeria, Kuwait and Iran, had transformed the company from one with plenty of oil to sell in the international markets to one with insufficient supplies to meet its own refinery needs.

Apart from expanding its own production interests in areas such s the North Sea, the company is taking the following steps to make up the shortfall:

● Buying oil and products on the spot market. Recently the company has been buying spot or short-term cargoes at the rate of 5m tonnes a quarter, the equivalent of more than 400,000 barrels a day or 17.5 per cent of its worldwide refinery throughput.

● Negotiating with British National Oil Corporation to buy about 200,000 barrels a day on long-term contract. As a result of state participation deals, BP is at present a net supplier of about 200,000 b/d to the state corporation. The company confirmed yesterday that as result of the deal now being negotiated supplies between the companies would be in balance.

● Buying a major proportion of the £610m-worth of crude oil being sold by BNOC under forward sale arrangements designed to ease the Public Sector Borrowing Requirement. It is thought that BP is buying about £250m-worth of oil. The sale is being conducted on the basis of a cash value rather than specified amount of oil. At current prices and exchange rates, the £610m could be raised from the sale of about 105,000 barrels a day over a 12-month period. BNOC is considering a small price increase from the current marker North Sea level of $33.75 a barrel after a recent 51 cents a barrel increase in Nigerian oil prices.

● Bidding for new North Sea exploration licences. Sir David said that the seventh licensing round, covering about 70 blocks, which would shortly be announced by the Government, was too small and restrictive. "It is important for us to find out what oil we have out there," he said.

Results, Page 26
Lex, Back Page

Trusthouse withdraws U.S. bid

BY REG VAUGHAN

TRUSTHOUSE FORTE, Britain's largest hotel group, has pulled out of the bidding for Dobbs Houses, the U.S. restaurant and catering services subsidiary of Squibb Corporation.

Announcing the end of talks in New York yesterday Squibb revealed it had reached agreement, in principle for the sale of Dobbs to Carson Pirie Scott, a Chicago department store, hotel and restaurant group.

Trusthouse had reached agreement in principle to acquire Dobbs last November but had not been prepared to match the rival offer. No financial details were disclosed, but Dobbs is believed to be worth £40m.

Mr. Eric Hartwell, vice chairman and chief executive of Trusthouse Forte, said yesterday that there was nothing ominous about the termination of the talks. "We would have liked the company" but Trusthouse was prepared to pay "up to a certain price and they wanted more," he said.

Trusthouse Forte's decision comes at a time when another UK company, Imperial Group, is having doubts about the success of its attempt to move into U.S. restaurants, with a $630m bid for Howard Johnson.

Trusthouse — with some £70m in cash and short-term deposits on its balance sheet — can afford to wait to acquire companies at what it considers the right price.

In any acquisition Trusthouse requires a return to shareholders in the first year after purchase. The price Trusthouse was prepared to pay for Dobbs was influenced by the worsening trading environment in the U.S., high interest rates, and the problems of rising inflation and fuel availability.

Trusthouse already has substantial U.S. interests. Last year it bought Colony Foods of California, which includes more than 100 coffee shops in the central and western states. The group also owns luxury U.S. hotels including the Pierre and the Westbury in New York, other hotel facilities through the Travelodge network and managed food services such as that for the United Nations building in New York.

Investment in U.S., Page 4

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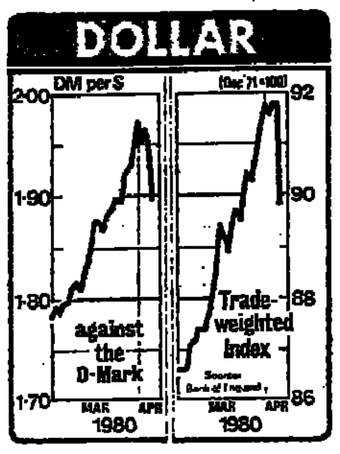

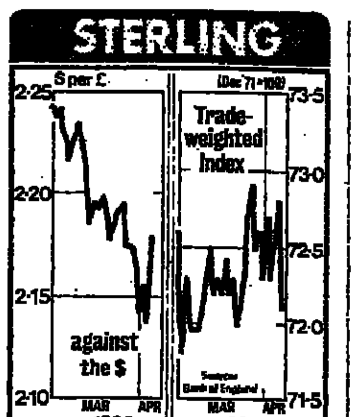

Dollar hit by heavy selling

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE DOLLAR dropped sharply against all major currencies yesterday in response to heavy selling after a sudden fall in U.S. short-term interest rates.

The drop in the dollar, the largest in a single day for overa year, reversed most of the big gains of the past fortnight, though it still left the dollar well above the levels reached before early March.

The dollar dropped to a low of DM 1.8750 compared with more than DM 1.97 in early trading on Tuesday. It closed at DM 1.8940 compared with a previous London finish of DM 1.9455 and rates of well below DM 1.80 only two months ago.

Sharp falls against other currencies led to a decline of 2.2 per cent in the dollar's trade-weighted index as calculated by the Bank of England. This measures the average value of the dollar against other currencies.

Dealers said business was very active as market operations closed speculative positions opened during the dollar's recent rise. Several large selling orders were reported.

The immediate cause of the drop seems to have been a decline in U.S. interest rates —highlighted by a fall of 1⅞ of a point to 18¼ per cent in six-month Eurodollar rates.

Sentiment was also affected by the suggestion by Mr. Walter Wriston, the chairman of Citicorp, that U.S. prime rates are at a peak, or so to it as to make no difference.

An additional unsettling factor is the worsening dispute between the U.S. and Iran.

The fall in the dollar has reduced the pressure on European governments, notably West Germany, to defend their own currencies by raising interest rates.

Sterling gained 1.3 cents against the dollar to close at $2.18 after an earlier high of $2.2012½.

But in a mirror image of its March performance, the pound fell sharply against the strong Continental currencies, dropping to DM 4.13 against DM 4.21½. Consequently, the sterling trade-weighted index fell 0.7 points to 72.1.

Gold up, Page 37
Monday Markets, Page 31

Short tap sale maintains momentum of funding

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT yesterday maintained the momentum of its funding programme by selling the short-dated tap stock—just over a week after the sell-a week after the sell-out of the long-dated tap.

Dealers estimate that up to about £150m may have been sold, leaving some of the £800m stock still to be sold.

This means roughly £500m to £600m of sales may have been tied up since the Budget, although some will have been offset by redemptions of maturing stocks, much of which is held by banks.

The Government Broker yesterday sold the stock—13¼ per cent Exchequer 1983—at £95¼, and later slightly higher. This was £1⅜ below his previous price in late January. In particular, there is believed to have been demand from some jobbers short of the stock.

Continued on Back Page
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£ in New York

—	Apr. 8	Previous
spot	$2.1760-1775	$2.1330-1350
1 month	0.20-0.25prem	0.41-0.46prem
3 months	0.62-0.67prem	0.75-0.80prem
12 months	0.75-0.85prem	0.80-0.90prem

EEC aid sought on Iran sanctions

BY OUR FOREIGN STAFF

U.S. DIPLOMATS *yesterday* intensified their efforts to mobilise West European support for President Carter's package of measures against Iran. But it remained unclear whether the EEC countries and Japan were prepared to give the U.S. the backing it wanted.

Meanwhile, in Tehran, the militant students holding the U.S. embassy repeated their threat to kill the 50 hostages if the U.S. attempted military intervention. In the U.S. itself, a Harris poll indicated that for the first time a majority of Americans supported such intervention.

West Germany, Iran's largest trading partner in Europe, is apparently ready to help Mr. Carter by supporting economic sanctions provided that its partners in the EEC agree to matching action and thus prevent circumvention of an embargo.

Whether an effective co-ordinated response could be approved by EEC members and Japan was in doubt. Thealternatives under consideration were withdrawing diplomats from Tehran or implementing trade sanctions.

In Tehran, Mr. Reza Sadr, Commerce Minister, said that while President Carter's Iranian measures would prove ineffectual, similar sanctions imposed by European countries would endanger both them and Iran. He repeated Iran's threat that it would lead to the supply of Iranian oil being cut.

In Brussels, the European Commission was urged by the U.S. to speed up discussion by EEC member states of possible trade sanctions against Iran. It is still not clear, however, what framework would be used for dealing with the issue.

The Commission is due to examine a special report on the implications of sanctions against Iran when it meets in Brussels next week. According to figures released yesterday in advance of the report, trade sanctions

Continued on Back Page

Oil price rise opposed

Shell and BP are among Japanese and European oil companies expected to challenge Iran's latest oil price rise. The $2.5 a barrel increase took effect on April 1, but behind-the-scenes discussions suggest the companies may try to persuade Iran to change its mind. Back Page.

Bonn attacked on foreign borrowing secrecy

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government's foreign borrowing—most recently from the United States—to help cover its budget deficit is coming under increasing fire from its political opposition.

In a written parliamentary question, the Christian Democrat and Christian Social Union parties want to know exactly how much credit is being raised, in what form and from which countries. They note that various reports have put the sum borrowed at between DM 5bn (£1.25bn) and DM 10bn (£2.5bn), criticise the Government for giving few firm details, and claim that the Federal Republic is fast turning itself from a traditional creditor into a debtor nation.

The question comes as details ar emerging of a new borrowing operation, under which the U.S. has agreed to purchase DM 1bn in Bonn government paper with a maturity of two years or more. The U.S. is thus finding a medium term investment for some of the excess Deutschemarks it has accumulated through market intervention in recent months, in helping to support the German currency. Since the start of this year, the Deutsche mark has lost ground against most currencies, and more than 12 per cent against the U.S. dollar.

The U.S., meanwhile, has been giving the Bonn budgetary authorities further help by investing part of the Deutschemark proceeds from the latest "Carter bonds" issue in short-term government paper. The "Carter bonds" were originally intended to enable the U.S. to raise foreign funds to help defend a weak dollar but, even while the latest of these bond issues was being completed in West Germany in January, the currency situation reversed itself and it proved, instead, to be the Deutschemark which needed support.

The Bonn Government's stand is that, by borrowing abroad, it is not simply plugging gaps in the federal budget, but is helping finance the country's current account deficit—likely to be around DM20bn this year—and giving support to the Deutschemark. It also notes that, by borrowing funds from OPEC states, it is contributing to an essential recycling of those countries' surpluses.

Government officials say that, so far, Bonn has borrowed direct from only one OPEC state, Saudi Arabia. The sum, understood to be around DM 5bn, is being offered in Deutsche Marks, and is divided into tranches of varying duration and interest conditions. In addition, further sums are under negotiation indirectly through the commercial banks with other OPEC states, believed to include Kuwait.

The delicacy of the operation and the desire not to infringe commercial banking secrecy are believed to be the main reasons why the Government has so far not given more details. It is expected that these reservations will apply for at least part of the answers now being demanded by the political opposition.

Official silence on de Broglie affair

By David White in Paris

THE French Government yesterday held its silence over the "affaire" surrounding the murder of politician-prince Jean de Broglie, a week after the scandal was stirred up anew by questions about the role played by the police before and after the shooting.

The lawyer of M. Pierre de Varga, one of the four men due to stand trial for the murder, has lodged charges against persons unnamed for concealment of information relating to the crime.

The family of the murdered politician, who was a former Junior Minister, has meanwhile applied for the legal inquiry, officially closed last month, to be re-opened in the light of the latest reports.

The weekly newspaper Le Canard Enchainé yesterday reaffirmed the authenticity of two police documents, one relating to a forgery racket and the other to a plot to kill Prince de Broglie because he had allegedly let accomplices down in a previous deal.

The documents have revived interest in the case, not only because they appear to provide what was most notably lacking—a plausible motive—but also because the police seemingly failed to act on the information and to mention afterwards having had it.

M. Jean Ducret, head of the Judicial Police Department, has said however that he communicated the gist of the reports to M. Guy Floch, the first of two examining magistrates who conducted the inquiry.

M. Floch issued a statement on Tuesday neither confirming nor denying this statement, on the basis of professional secrecy.

M. Michel Poniatowski, the Interior Minister at the time and therefore at the centre of the scandal, has denied having seen a report of the kind published by the newspaper. The reports were not originally taken seriously enough by the police to be passed upwards, he said.

M. Poniatowski, associated with Prince de Broglie in President Valery Giscard d'Estaing's old party, the Independent Republicans, said the scandal was becoming a political manoeuvre.

Sweden earmarks £620m for shipyards aid

BY VICTOR KAYFETZ IN STOCKHOLM

THE SWEDISH Government yesterday tabled a shipyards Bill which provides just over SKr 6bn (£620m) in restructuring grants to Svenska Varv, the state shipbuilding company which owns all the major yards. It also calls for unspecified bu important manpower cutbacks with the aim of making the company profitable by 1985.

The Oresund yard at Landskrona, a small city in southwestern Sweden, will be shut gradually as jobs become available to its 2,500 redundant employees. The small Finnboda yard in Stockholm is also to close.

The extent of manpower cutbacks at yards in Gothenburg and Malmö will depend on how well they succeed in attracting new orders, the Bill stated.

In January, Svenska Varv had proposed shutting down Oresund and Finnboda, eliminating 1,800 jobs at Kockums in Malmö and 2,400 jobs at two Gothenburg yards. In all, nearly 8,000 of 20,000 employees would become redundant under the company's plan.

Trade unions and local interests in Landskrona protested against the planned shutdown there and one Liberal MP indicated he might vote against the Centre-Conservative-Liberal Government's Bill if it included closure of the Landskrona yard.

As a result, the Government, which has a one-seat majority in Parliament, has promised to continue subsidising losses at Landskrona until new jobs are created for its work force and will be pumping extra regional subsidies into the area. It will also help Svenska Varv provide severance payments.

Under the Bill, small and medium sized yards are to receive loans of SKr 20m (£2m) in the next few years to cover the costs of bidding for export contracts. The loans would be repayable only if the bids led to order.

The Bill accepts Svenska Varv's recommendations that the Uddevalla yard north of Gothenburg whose work force remains unchanged, will concentrate on tankers, bulk and product carriers, while the Arendal yard in Gothenburg will build offshore constructions and prefabricated factories. Kockums will build ferries and gass and chemical carriers, helping Uddevalla with its specialities if necessary. The Karlskrona yard will continue to build mainly naval vessels.

In a separate Bill also presented yesterday, Mr. Ulf Adelsohn, the Transport Minister, proposed the elimination of certain fees for trans-oceanic vessels, in order to encourage an increase in direct scheduled traffic between Swedish ports and other continents. The Bill makes small improvements in guanantees and interest conditions for Swedish shipping lines that order new tonnage at Swedish yards.

Better OECD guide to state of industry

BY OUR SHIPPING CORRESPONDENT

A MORE accurate guide to world shipbuilding output is provided in new quarterly statistics published by the Organisation for Economic Cooperation and Development.

For the first time the OECD has begun to publish statistics on new orders, orderbooks and ship completions based on compensated gross register tonnage (cgrt). This is a more useful guide to the state of the industry since it takes account of the work involved on a ship. A ferry, for example, is more complicated than a simple tanker with the same gross registered tonnage and so would have a relatively higher cgrt.

The new statistics have led to a reshuffle of the world shipbuilding league tables. Naturally, Japan is still far and away the biggest—it completed 684 ships of 4.5m cgrt last year. But in Europe, West Germany becomes relatively more important.

Based on the old gross registered tonnage, the UK completed two thirds more tonnage than West Germany last year. However, West Germany is ahead based on compensated gross tonnage.

In Scandinavia, the statistics emphasise how important Finland's shipbuilding industry has become, relative to that of its neighbours. In terms of gross tonnage, Sweden boasts an order book over 70 per cent larger than Finland's. Based on compensated gross tonnage, Finland's order book (1.17m cgrt) is over a third larger than Sweden's

The statistics cover all those countries participating in the OECD's shipbuilding working party (Belgium, Finland, France, West Germany, Greece, Ireland, Italy, Japan, Netherlands, Norway, Spain, Sweden and the UK plus the EEC).

Spain launches bid to end Gibraltar dispute

BY JIMMY BURNS IN LISBON

AN ATTEMPT to settle the long-standing dispute between Spain and Britain over Gibraltar was launched here yesterday by Sr. Marcelino Oreja, the Spanish Foreign Minister.

Sr. Oreja, who is in Lisbon for a two-day ministerial meeting of the Council of Europe met Lord Carrington, Britain's Foreign Secretary, for what officials described as "talks about talks." The Spanish Minister was expected to put forward a proposal, ratified by the main Spanish political parties just before Easter, that Britain should commit itself to a resumption of bilateral negotiations on the future of the Rock. In return, Spain is prepared to open its border with Gibraltar for the first time since 1969.

Until recently British and Gibraltarian officials have been reticent about a breakthrough in the deadlock but yesterday Spanish officials were optimistic that matters were coming to a head. Although the ultimate goal of this latest Spanish diplomatic move remains Gibraltar's return to Spain, Madrid insists that a flexible and just solution can be found within the framework of its regional policy.

The unprecedented backing of the Spanish opposition parties for the initiative is also seen as pointing to a democratic solution.

This is the first time that Sr. Oreja and Lord Carrington have discussed Gibraltar since last September, when the two men met during a session of the UN General Assembly in New York. A subsequent meeting planned for Strasbourg last November was postponed because of Lord Carrington's involvement in the Rhodesian independence conference.

Until now, talks on Gibraltar have broken down on the question of sovereignty. Successive British governments have also insisted that any solution to the problem should take into consideration the Gibraltarians' wish not to be linked formally to Spain. An element of urgency surrounds the latest Spanish proposal, however, because of Spain's impending membership of the EEC and of the North Atlantic Alliance.

Moderate elected to head Basque assembly

BY OUR MADRID CORRESPONDENT

A DECISION by secessionist MPs to boycott the Basque Parliament's meeting at Guernica yesterday ensured the election of Sr. Carlos Garaicoetxea, leader of the moderate Basque Nationalist party, as head of the area's autonomous government. It has highlighted, however, the problems facing a home rule executive in Spain's restive northern provinces.

The 11 MPs who failed to attend are members of the radical Herri Batasuna coalition, which is linked to the military wing of the guerrilla movement ETA and which emerged as the second political force in the Basque country in local elections last month.

Sr. Garaicoetkea (41) was the only candidate presented to the Basque Parliament, which held its inaugural meeting last week.

Herri Batasuna brought the controversial issue of an amnesty for Basque prisoners to the forefront at a preparatory meeting of the Parliament on Monday when they named as their party spokesman in the assembly Sr. Inaki Pikabea, an MP who is in prison awaiting trial on charges of terrorism.

The radical coalition was also the main driving force behind week-end violence in San Sebastian and Pamplona. The clashes were worst in Pamplona, the capital of Navarre and a Basque border province which the nationalists claim to be an integral part of the Basque community.

Rejecting the Basque Parliament as a "ghost institution," Herri Batasuna are pressing the issues of the prisoners and of Navarre, demanding that the Assembly take a stand on both as a condition for its attendance. The destabilising effect of the boycott has been intensified by an upsurge in violence. A double assassination by ETA on Sunday brought to 34 the number of victims of political violence this year in the Basque country.

Sr. Garaicoetkea is expected to form a Government drawn from his own party but reserve the Interior Ministry portfolio for himself in order to conduct pacification proposals personally.

Malta revalues again

Malta has again revalued its pound in an attempt to keep imported inflation in check. The central bank said it was made necessary by the appreciation of the U.S. dollar, Godfrey Grima writes from Valletta.

The rate against the dollar was yesterday quoted at M£0.39 and against sterling at M£0.76.

IMF team to discuss new credit for Turkey

By Metin Munir in Ankara

DISCUSSIONS ARE due to begin here today between Turkey and the International Monetary Fund on a new standby arrangement to support the economic policies of Prime Minister Suleyman Demirel's government.

Ankara wants either a two-year, 750mm Special Drawing Rights (SDR) arrangement, or a three-year, SDR 1bn, according to a senior Turkish official. The former corresponds to £433m and the latter to £578m and is more generous than what the Fund has been willing to grant to date.

The Fund is offering SDR 500m for a two-year standby arrangement and SDR 750m for three years, the official said. The discussions are expected to last 10 days.

Turkey and the IMF concluded two standby arrangements in 1978 and 1979. The two-year 1978 arrangement of SDR 300m, which was due to have expired this month, was cancelled when Mr. Bulent Ecevit, Mr. Demirel's predecessor, did not abide by its stipulations. A standby arrangement for 12 months, in an amount equivalent to SDR 250m, was reached in July 1979.

Mr. Demirel won approval in the West for his economic measures announced in January. The measures were designed to strengthen market forces and open the Turkish economy to foreign investment.

However, the IMF is expected to press for more austerity to curb inflation and bring Turkey's financial crisis to an end. Public finances and monetary restraint are expected to be among the most difficult subjects discussed.

The current visit of the IMF delegation is particularly crucial because it comes on the eve of a meeting in Paris of the Organisation of Economic Co-operation and Development (OECD) countries to pledge financial support to Turkey. Commitments of over $1bn are expected to be made when the meeting takes place on April 15. The outcome of the IMF-Turkey discussions in Ankara could obviously affect the outcome of the OECD pledging session, if it were negative.

Swedish lockout postponed

By Our Stockholm Correspondent

SWEDEN'S MAIN private employers' federation, SAF, yesterday afternoon postponed until Monday, April 14, a one-week lockout of 750,000 blue-collar workers that had been due to begin yesterday.

SAF agreed to allow government-appointed mediators a chance to attempt a solution to its deadlocked wage negotiations with the Landsorganisationen (LO), which represents 2m blue-collar workers.

Talks reached a stalemate in March after SAF had said there was no room for any new wage increases in 1980.

Yesterday LO said it would lift its overtime ban if SAF agreed to declare its willingness to negotiate on any wage increase at all. The LO pay claim submitted last month called for rises of just over 11 per cent.

Meeting sought of Afghan and Pakistan rulers

BY K. K. SHARMA IN NEW DELHI

A MEETING between the leaders of Afghanistan and Pakistan, in an attempt to lower tensions in the South West Asian region, is being sought by members of the Non-Aligned Movement sympathetic to the Soviet Union.

The proposals on which little progress appears to have been achieved has come both from Mr. Isodoro Malceira, special envoy for General Fidel Castro, Cuba's President—who is presently chairman of the Non-Aligned Movement—and from Mr. Pham Van Dong, the Vietnamese Prime Minister.

Both men are now in New Delhi, where they have met Mrs. Indira Gandhi, the Indian Prime Minister. Mr. Malceirca came here from Kabul where he delivered a message from President Castro to the Afghanistan leadership.

The thinking behind the proposal, which clearly has the backing of the Russians, is that tension in the region stems from the operations of Afghan rebels from Pakistan territory. Moscow alleges that the rebels are being trained and given military equipment by Western Powers, including the U.S. The Soviet Deputy Foreign Minister, Mr. N. P. Firyubin, whose responsibilities cover this part of Asia, held talks in New Delhi and Kathmandu this week.

India's stand on Afghanistan has been that events in that country should not be viewed in isolation but as the result of intervention by both superpowers.

Although India backs the demand for withdrawal of Russian troops, the Soviet Union is apparently trying to use the Indian position to secure a meeting between leaders of Afghanistan and Pakistan. Their hope is that a meeting would legitimise the present regime in Kabul and persuade Pakistan not to aid the Afghan rebels.

The proposal seems unlikely to be accepted at the moment. Being inspired by Moscow and promoted by Cuba and Vietnam, it cannot win wide acceptance in the non-aligned movement as many of its members have demanded the withdrawal of Soviet troops from Afghanistan.

W. Germany warned over Soviet trade embargo

BY LESLIE COLITT IN BERLIN

THE German Institute of Economic Research (DIW) has warned that if West Germany joins an embargo of trade against the Soviet Union it would sacrifice chances for an upswing in West German-Soviet trade next year at the start of the new Soviet Fve-Year Plan.

The West Berlin-based institute says in an analysis of West German-Soviet trade that West Germany would also lose a competitively priced and until now stable source of energy and raw materials.

The idea of a trade embargo was first mooted by President Carter in January, after the Soviet invasion of Afghanistan. The U.S. sought the support of its allies, but has drawn a mixed response.

DIW notes that both West Germany an dthe Soviet Union pledged long-term economic industrial and technical cooperation in a 1978 agreement and that the Bonn Government regards trade with Moscow and other Comecon members as serving a political function.

This policy, it says, is now in danger if West Germany goes along with a U.S. plan to rule out individual deals with the Soviet Union. The institute says the DM 14bn-worth of trade between West Germany and the Soviet Union last year, and the DM 16.7bn-worth with the five other East European countries, made up 5 per cent of West Germany's total trade (without East-West German trade, which amounted to DM 10bn).

But the Soviet Union last year supplied 6 per cent of West Germany's consumption of oil and oil products, 16 per cent of its natural gas and 55 per cent of its enriched uranium. In addition the Soviet Union delivered 43 per cent of the palladium used in West German industry, 21 per cent of titanium, 18 per cent of cotton, 13 per cent of asbestos, 13 per cent of gold and 11 per cent of platinum.

Malaysia plans to produce less oil but more gas

BY WONG SULONG IN KUALA LUMPUR

NATURAL GAS will play an increasing role in Malaysia's economy from the mid-1980s when the country's oil production is expected to be levelling off, according to Mr Rastam Hadi, managing director of Petronas, the Malaysian oil company.

In an interview with the Financial Times, Mr Rastam also declared that government revenue from oil production is expected to be lower during the third Malaysian Plan (1981-85), because Petronas would be investing heavily in several major petro-chemical projects.

Petronas is to sign a production sharing agreement with British Petroleum and Oceanic Petroleum next month for exploration and development of a 6,000 square mile trace north of Sabah State.

Mr Rastam also said that Malaysi's energy consumption pattern, now almost totally dependent on oil and hydro-electric power, will undergo a rapid shift from the mid-1980s, when the large reserves of natural gas in Trengganu and Sarawak come on stream. Plans foor nuclear energy have already been abandoned because of the abundance of natural gas.

Petronas projects include a 65 per cent share of the $1.2bn liquid natural gas plant at Bintulu in Sarawag State, construction of two oil refineries, costing between $300m and $400m in West Malaysia, and the building of a $150m ASEAN urea fertiliser.

"Unless we discover new fields," said Mr Rastam, "our oil production, currently at 310,000 barrels daily, will be levelling off after 1985.

Belgium's 'last chance' Premier finally runs out of luck

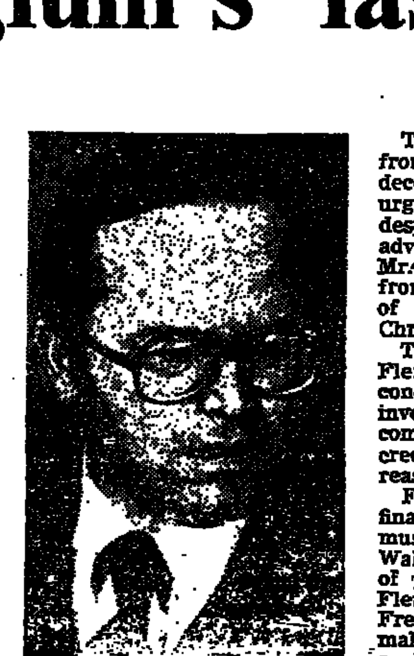
BY GILES MERRITT IN BRUSSELS

MR. WILFRIED MARTENS, who yesterday resigned as Belgium's Prime Minister, is a man who finally ran out of last chances.

During a year in which he has struggled to hold together his coalition government, "last chance" has become his middle name. He has survived two previous crises each of which seemed set to topple him and in doing so established a reputation for seizing every opportunity. This time, however, the pressures and contradictions of Belgian politics proved too great.

His fragile coalition was first labelled Belgium's last-chance government in the spring of 1979, when the young Flemish Catholic lawyer from Ghent emerged from comparative political obscurity to form a government where more prominent figures had failed.

In the aftermath of Mr. Leo Tindemans' resignation in October 1978, an inconclusive general election two months later and the resulting four-month governmental vacuum, Mr. Martens' compromise proposals for settling Belgium's



Mr. Martens: third time, unlucky.

"language war" led to his becoming Prime Minister without ever having been a Minister.

The formula that made him the EEC's youngest Premier was a plan for turning Belgium into a form of federal state. Flanders, Wallonia and the Brussels region would each enjoy a large measure of self-government.

To outsiders it differed little from the programme his predecessor, Mr. Tindemans, had urged before quitting in despair. Its most apparent advantage was that its author, Mr. Martens, had come straight from the job of being president of the CVP Flemish Social Christian party.

To militant Dutch-speaking Flemings, who mistrusted the concessions that devolution involves to the francophone community, Mr. Martens' CVP credentials were impeccable and reassuring.

For it is the degree of financial support that Flanders must pay to ailing industrial Wallonia and the vexed question of political guarantees for the Flemish minority in largely French-speaking Brussels that makes the devolution proposals so difficult for the Flemish.

The kernel of Belgium's political problem is that, while the dominant CVP, a Christian Democratic party, tends automatically to furnish the Prime Minister for coalition governments, they are also the first to oust him once he starts to compromise with his Walloon partners in government.

That is precisely Mr. Martens' position now. The latest crisis, his third since last December, is a back-benchers' revolt. Nine hard-line CVP Senators decided at the last minute to refuse to vote through the section of the devolution plan that concerns Brussels.

Their rebellion began a fortnight ago and resulted in the Government's suffering a surprise defeat in the Senate, as

The formula that made Mr. Martens the EEC's youngest Prime Minister was a plan for turning Belgium into a form of federal state. Flanders, Wallonia and the Brussels region would each enjoy a large measure of self-government.

it failed to win the two-thirds majority required by the constitution for such structural changes to the political system.

Last week, the Brussels measures were given a Second Reading in the Senate, and Mr. Martens attempted to force the rebels' hand by making the matter a vote of confidence.

Once again he lost, and it may be that the failure of Mr. Tindemans, the present head of the CVP party, to help quell the revolt was a factor. Mr. Tindemans still entertains hopes of returning to power, and has throughout seemed unwilling to give Mr. Martens the backing he needs.

Whether Mr. Marten's political career is at an end, after flaring brightly but briefly, is now a matter of speculation. Although he seems unlikely to make an early return to the Prime Minister's office, there are several reasons to suppose that he will remain in the forefront of Belgian politics.

In the first place, he has gained a regulation for determined handling of Belgium's economic problems and has pushed through an austerity programme that promises controversial government spending cuts. The latest opinion polls suggest that this has greatly boosted his popular appeal.

Equally important perhaps is the fact of Belgium's political life that the premiership is effectively a CVP fiefdom and there are few signs that Mr. Tindemans can expect to regain the position automatically. It may be that Mr. Martens will be given another chance in the coming months, perhaps after a general election.

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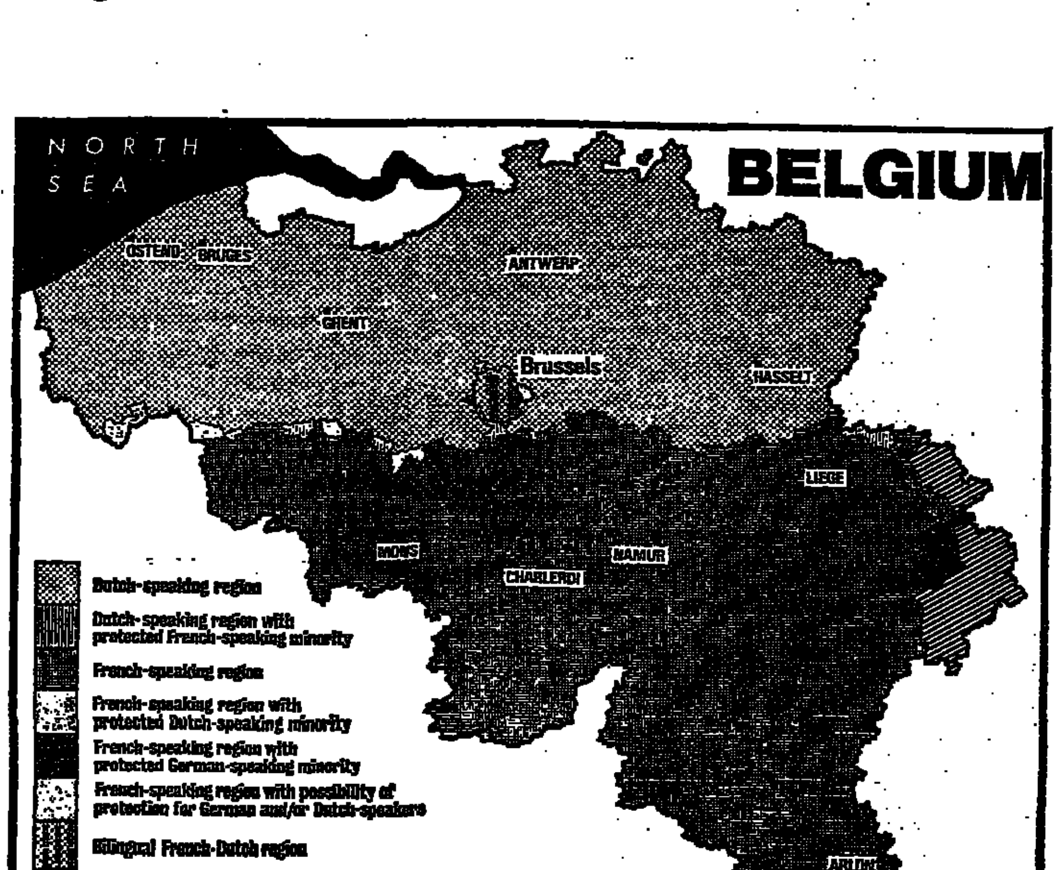

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China forecasts 1980 downturn in economy

BY TONY WALKER IN PEKING

CHINA'S ECONOMIC planners are forecasting a slowdown in the Chinese economy this year, in line with the policy of economic readjustment. The 1980 economic plan, released yesterday, forecasts an increase of 5.5 per cent in the gross value of industrial and agricultural output, down from more than 8 per cent last year.

Mr. Li Renjun, vice-Minister of the State Planning Commission, released the ecoonmic blueprint for this year at a meeting of the standing committee of the National People's Congress, China's parliament.

Mr. Li also reviewed China's economic performance for 1979. The slower growth forecast for this year has not surprised economic analysts in Peking who have been predicting growth rates in the order of 5 to 6 per cent.

China plans a 3.8 per cent increase in gross value of agricultural output and 6 per cent for industry.

The 1980 plan forecasts a marked slowdown in the rate of increase in the volume of imports and exports—this year it is expected that total import and export volume will increase by 11.5 per cent, well down from increases of 26 per cent for exports and more than 30 per cent for imports registered last year.

The Chinese are budgeting for an increase in retail sales this year of more than 13 per cent, about the same as last year, and Vice Minister Li said it was "imperative" to strive for faster growth in the production of consumer goods and other light industrial products.

He said the expected growth of 8 per cent in the total value of light industrial products should ensure that light industry continues to develop faster than heavy industry.

To achieve this, Mr. Li said, textile and other light industries will be given priority in the supply of raw materials, energy, investment in capital construction, bank loans, transport, technical facilities and introduction of sophisticated technology from abroad.

The Vice-Minister pledged further rationalisation of heavy industry to make better use of existing resources in light industry and agriculture—the priority areas of the Chinese economy.

He said capital expansion would be held "within the present financial capabilities and resources of the state."

"It is necessary to further develop imports and exports, expand economic exchanges with foreign countries, expand production of export commodities in all parts of the country, and import more advanced technology so as to strengthen China's capacity for self-reliance." he said.

Mr. Li gave no indication that China had any intention of easing its rigorous policy of economic readjustment instituted at the beginning of last year, when economic planners called a halt to China's madcap rush to modernise through the importation of foreign plant and equipment. Heavy restraints have been placed on the signing of new contracts and are likely to remain in place for at least the next 12 months.

Reviewing China's economic performance in 1979, Mr. Li said China had more than fulfilled its plan for the year. More than 2,000 processing orders had been signed last year, making use of foreign capital and regarding the introduction of foreign capital. These contracts were in addition to agreements for the importation of plant and equipment worth $7.8bn signed in 1978.

At the same time, Mr. Li said, a number of compensatory trade deals and joint ventures were presently being negotiated.

He said imbalances in the national economy had not been completely overcome and problems concerning production and construction, financial income and expenditure, price control, award systems and people's well being remained.

Hua spurns nuclear plants

BY OUR PEKING CORRESPONDENT

CHAIRMAN Hua Guofeng has told a visiting Australian politician that China does not intend to start a nuclear power industry. The Chinese leader is said to feel nuclear power is too expensive for China at present.

This appears to scotch suggestions that China may be reviewing its decision not to go ahead with the acquisition of nuclear reactors.

It was announced in the middle of last year that China would not take up an aption on two French-built reactors. However, in the past few months a "nuclear lobby" has emerged in China which has been agitating for the Government to press ahead with a nuclear industry.

Chairman Hua had a 45-minute discussion with Mr. Neville Wran, Labour Premier of New South Wales—Australia's largest and most industrial state.

Other questions raised in the talks were the trade imbalance between Australian and China, Soviet activities and a proposal that Mr. Wran's state, a big coal producer, supply steaming coal to China.

Mr. Wran said later he had discussed possible coal sales with senior Chinese officials and there was a "distinct possibility" that the state would supply coal to South China where there is a shortage of high-grade coal. Mr. Wran is also proposing a coal-for-oil barter with China, but admits such a deal is some time off.

Moderate wage rises ahead for Japanese

By Richard C. Hanson in Tokyo

THE POWERFUL Federation of Metalworkers' Unions (IMF-JC), which sets the pace for wages in the rest of Japanese industry, appear likely to settle for a moderate wage increase during this year's spring labour offensive.

The rise may average around 7 per cent, if the employers' formal offers, revealed yesterday, are accepted.

This year's wage offensive has produced a remarkable degree of harmony (even by Japanese standards) between the goals of labour and management.

"The top priority is fighting inflation," said a senior official in the Metalworkers, the largest union federation with a membership of over 1.8m spread through the key steel, motor, electrical and shipbuilding industries. Neither the government nor industry are likely to disagree with such a priority.

For the first time in memory, all of the big national union federations were able to agree to a common wage increase goal, long before the spring push actually began. This was set at 8 per cent to make up for inflation last year and give some real increase in earnings. The actual settlement, expected before the end of this month, will probably fall somewhat short of that target, but employers are making certain concessions on shorter working hours and higher retirement allowances as part of their final offer.

Trade unions seem to recall the first oil crisis in 1973-74 when an extremely large wage rise (32.9 per cent on average) was followed by a slump in company profits and a fall in overall employment levels.

Labour leaders apparently prefer marginal or even no real improvements in living standards this year, if this means that oil crisis inflation can be kept under control and the subsequent impact on jobs can be avoided.

Another reassuring factor is that the unions, with an average 6 per cent rise last year, were able to keep pace with rises in the cost of living. When inflation picks up at the beginning of summer as a result of big jumps in public utility and other charges.

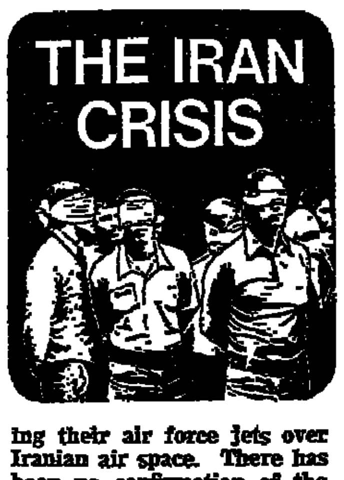
The unions hope to keep pace by negotiating larger annual bonuses. These are paid out twice a year in summer and winter.

The harmony over wage settlements this year does not mean that this year's wage push will be without public sector stoppages. A three day public transport strike which will paralyse virtually the whole of the national railway network is scheduled for Wednesday, Thursday and Friday of next week.

Such stoppages, however, are part of the "ritual" which always occampanies annual wage settlements in Japan. National railway and other public utility workers will eventually accept wage rises in line with those being negotiated by industry.

Gulf states back Iraq over conflict

BY IHSAN HIJAZI IN BEIRUT



THE ARAB states around the Gulf have rallied to Iraq in its current sharp conflict with neighbouring Iran.

This, plus the existing but undeclared alliance between Baghdad and Saudi Arabia strengthens the position of Iraqi Government of President Saddam Hussein in its campaign to challenge the Iranian revolution headed by Ayatollah Khomeni.

Kuwait, Bahrain, the United Arab Emirates and Qatar are reported to have raised the level of alert of their forces after Iraq and Iran had done the same earlier in the week.

Editorials in the Press in those countries not only warned Iran against undertaking any adventures in the Gulf, but declared solidarity with Baghdad.

President Saddam Hussein, apparently bouyed by this support, has issued a new warning to Teheran. Baghdad's semi-official daily Al Thawra quoted him as saying on Tuesday: "Iraq is ready to fight any war in defence of its sovereignty" and that "the arm that will be raised against Iraq will be cut off."

Iran has reported border clashes between regular troops of the two countries, and has accused Iraq of sending their air force jets over Iranian air space. There has been no confirmation of the claim from the Iraqi side.

The Arab states in the Gulf appeared to have set aside their old suspicions of the Ba'ath Party, which rules in Iraq in favour of inter-Arab solidarity against Iran.

These countries have been worried about statements by Iranian officials from President Abol-Hassan Bani-Sadr down that the Iranian revolution will be exported to neighbouring countries.

They are also upset by President Bani-Sadr's total rejection of Arab claims to three islands in the Gulf which Iran occupied nine years ago. The islands are Abu Musa, and Greater and Smaller Tumbs.

Bani-Sadr warns of foreign dependence

BY SIMON HENDERSON IN TEHRAN

THE IMPOSITION of full trade sanctions against Iran by the U.S. and the possibility of similar action by western Europe and Japan comes at a time when the Iranian economy is particularly weak.

Oil exports are running at 2m barrels a day, according to the latest official figures. The revenue from this is $70m a day, but experts in Tehran consider that this income could be endangered, not merely by Iran cutting supplies to Europe but by failing equipment, lack of spare parts and revolutionary chaos in the oil industry.

In the country as a whole, unemployment is high. It is variously estimated at between 2m and 4m, out of a total labour force of 10m. Prices are rising by about 20 per cent a year, with falling industrial production, and only agriculture is showing signs of health.

Confirmation of this analysis, which belies the professed confidence of the revolutionary authorities in meeting the new challenge, comes from no less an authority than President Bami-Sadr himself.

Speaking just three days ago at a seminar in Teheran, he had said: "Since the victory of the revolution, we have not progressed in the struggle against Western domination. We are now even more dependent on imports."

Among the faults he listed were an increase in consumption but a decline in production, and the fact that only about half the 700bn Rials ($10bn) development budget was spent — and even that did not really develop much.

Most seriously of all, the Iranian President pointed out the poor state of the oil industry and warned that if favourable conditions were not developed to entice exiled Iranian experts back, the industry would once again have to use foreign experts.

Other confirmation of trouble in the oil industry came in a letter from workers at the main Abadan refinery, published in a Tehran newspaper, which supports President Bani-Sadr. The workers said production from the refinery was lower than claimed and, instead of a six-month supply of spare parts, there were not even enough for five days.

Although the country's foreign reserves are healthy, standing at about $15bn (of which only about $6bn is frozen in U.S. banks), any serious disruption in oil supplies would eat into this balance, because of commodity imports. Last year 3.68m tonnes of essential commodities were imported, and similar amounts are expected this year.

According to analysts in Tehran, if food is exepted, wider sanctions would have little effect, and they point out that, even if they did cover food, the pressure for the hostages' release could still be complicated by domestic political wrangling.

To overcome mounting difficulties, there is an increasing emphasis on state control Foreign trade is to be gradually nationalised and Commerce Minister Reza Sadr said yesterday that the first of the 120 centres which will eventually control all foreign trade will start operating within the next three weeks.

The new rules for foreign trade allow merchants to make initial enquiries abroad about imports but the actual purchases will be carried out by the new centres. Once cleared through Iranian customs, merchants will turn over 30 to 50 per cent of them to the centres for direct sale. The centres will also determine the price at which the merchants sell their share of the goods imported.

S. African gold reserves fall

By Quentin Peel in Johannesburg

SOUTH AFRICA'S gold and foreign exchange reserves fell by more than R1bn (£588m) last month to R4.75bn, in spite of an increase in the volume of its gold reserves because of withholding supplies from the market.

The gold holding of the South African Reserve Bank increased during March by some 470,000 ozs to 11.4m ozs, following the announcement of its new flexible sales policy. The amount is the equivalent of about one wek's production of the South African gold mines.

However, the value of the gold reserves still fell because of the lower gold price during the month, from R5.05bn in February to R4.23bn in March.

The other element in the decline in reserves was a drop in foreign currency holdings of more than R250m (£147m), from R697.6m to R439.5m. The fall comes in spite of a continuing healthy surplus on South Africa's visible trade account, currently running at an annual rate of more than R4bn.

Apart from reflecting the amount of unsold gold, the drop in foreign currency holdings indicates a continuing large volume of trade finance switching from overseas to domestic sources.

The low level of interest rates in South Africa has resulted in a sharp rundown of credit drawn overseas for trade finance in favour of using the local market.

AMERICAN NEWS

The U.S. counts its multitude

By Patti Reali in Washington

THE 1980 census, a 10-year extravaganza, is now under way across the U.S. and it very well may be the costliest, most complex and controversial and statistical exercise in history.

Americans last week were called upon to stand up and be counted, and the event was promoted with much fanfare. The Census Bureau is still recruiting an army of 275,000 workers for the task, and has built its own special equipment to process the mountains of information. The whole effort will cost over $1bn.

Using the slogan "We're counting on you. Answer the census," the bureau mounted an intense campaign to gain public support. It had help; free of charge the agency of Oglivy and Mather created, and the Advertising Council distributed, over $40m in newspaper, television and public transport advertisements as well as radio announcements in English, Spanish and 30 other languages.

The 1980 census is important for a number of reasons. It is required by the U.S. Constitution to provide a basis for fair opportionment of the seats in the House of Representatives every 10 years. The bureau believes that at least 11 seats may be lost in the north-eastern and north-central states to those in the south-west as a result of *shifts in the population* since 1970.

Bureaucratic

Further, the allocation of over $50m in federal funds to state and local governments depends heavily upon census data. At a time when axes everywhere are hacking away at budgets, a census "undercount" could deny cities and states the funds for more than 100 schemes, ranging from housing and urban development, health care, education, job training and highway aid to programmes for the old and young.

Governors and big city mayors are worried that, despite the campaign to promote public *participation, they stand* to lose millions of dollars in federal aid if people do not bother to answer the survey.

They *have serious cause for* concern. In 1970, the undercount rate, as it is called by census officials, was 2.5 per cent of the population, or about 5.3m people. Official figures indicate that for each person missed by the census, the local government receives an average of $150-$200 less a year in federal funds.

Mr. Marion Barry, the Mayor of Washington DC, has said that the city lost some $1.9m in revenue sharing funds in 1978 alone. Atlanta's Mayor, Mr. Maynard Jackson, who has called the 1980 census a "bureaucratic nightmare," also said that his city lost $11.7m worth of employment funds and 6,000 jobs because of undercount.

The 2.5 per cent margin of error would normally be no cause for alarm if the undercount rate were distributed equally among the population. But checks after the last census revealed that 7.7 per cent of the black population was left out. Among *black* men between the ages of 25 and 34, one out of five was missed.

Another serious problem hampering *the survey is that of* ilegal aliens. The number of "undocumented visitors," as they are also called, is *put anywhere between 3m* and 12m, Mr. Vincent Barabba, Census Bureau director, said: "This is the *real nut*, probably the most difficult problem we face."

Despite reassurances of confidentiality, many illegal aliens fear that any information they provide about themselves wil be passed to Immigration and Naturalisation Service officials, who might discover and deport them.

Enumeration

The Census Bureau is under fire for its decision to include ilegal aliens in the 1980 count. The Supreme Court recently turned down an attempt by theFederation for American Immigration Reform to bar ilegals from being considered in the reapportionment of seats. The group, which opposes a liberal immigration policy, maintains that counting illegal aliens affords disproportionate voting power to U.S. *citizens in areas where* large numbers of ali ens live, thus undermining the principle of "one-man, one-vote."

The arguments in favour of including illegal aliens derive from a simple reading of the Constitution which states that the enumeration shall include the "whole number" of persons in each state and that these illegal residents :: impose the same burden upon local governments" in terms of essential human services as do citizens.

Foreign investment in U.S. doubles to $12.5bn

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

FOREIGN DIRECT investment in the U.S. doubled last year compared with 1978, according to preliminary statistics issued here by the Commerce Department.

The department identified 1,070 completed transactions last year in which foreigners acquired 10 per cent or more of the votin gstock of a U.S. concern. The total known value of these deals amounted to an estimated $12.5bn, compared with $1.1bn in 1978.

In the first half of the year, for which the data is more reliable, foreign investment, both in the number of acquisitions and in their value, was 80 per cent higher than in the equivalent period of 1978, with 379 completed transactions, 207 of *which were worth $4.4bn.*

The second-half bulge was accounted for by a handful of major deals, led by Shell's *$3.7bn purchase of Belridge* Oil, a $600m petrochemical investment by ICI and Solvay and a $700m German-Japanese coal *liquefaction joint venture.*

The principal reasons for the surge in foreign investment are well known. The decline in *both the value of the dollar* and the share prices of American companies made for inexpensive acquisitions. At the same time the U.S. domestic market remains very viable, while producing goods in this country can circumvent trade protectionist moves.

The high cost of financing mergers, a consequence of the Federal Reserve Board's tightening of monetary policy, and the recovery in the value of the dollar this year, may mean that the boom will not continue at last year's pace, though no harfd and fast forecasts are available.

In compiling its data, the department points out that its survey is necessarily incomplete. Many transactions are privately arranged and their worth, therefore, not easily calculated.

But certain broad patterns do emerge. The main investors remain German, British, Canadian and Japenese; collectively these four countries accounted for 61 per cent of the number of acquisitions and 55 per cent of their reported value in the first half of last year.

In number, if not in value, investments tended to be concentrated in the manufacturing sector, especially electrical and electronic goods, and attendant distribution companies. West German enterprises invested heavily in the non-electrical machinery industry.

In terms of value, British investment was concentrated in banking, led by such prominent takeovers as National Westminster's acquisition of the National Bank of North America, and Standard and Charter's of Union Bancorp of California. But in numbers, the major field of activity was wholesaling.

The figures also reveal what little penetration the oil-producing nations have made into hte American economy. In the first half of last year, total investments by members of the Organisation of Petroleum Exporting Countries only amounted to $60m, $57m of which was accounted for by four Saudi Arabian acquisitions.

New bank rescue rules

BY STEWART FLEMING IN NEW YORK

FEDERAL BANK regulators have sent draft legislation to Congress aimed at broadening their powers to facilitate the rescue of financial institutions, such as banks and savings and loan associations, which face collapse because of the deteriorating economic situation.

The legislation would clear the way for a bank in one state to acquire a failing institution in another state—which would be a major breach in U.S. banking laws.

There has been growing pressure in the banking industry for such emergency legislation. Up to now, it has fallen to foreign banks to make *rescue takeovers. This has* helped some foreign banks to set up interstate banking networks, in the face of their U.S. *competitors.*

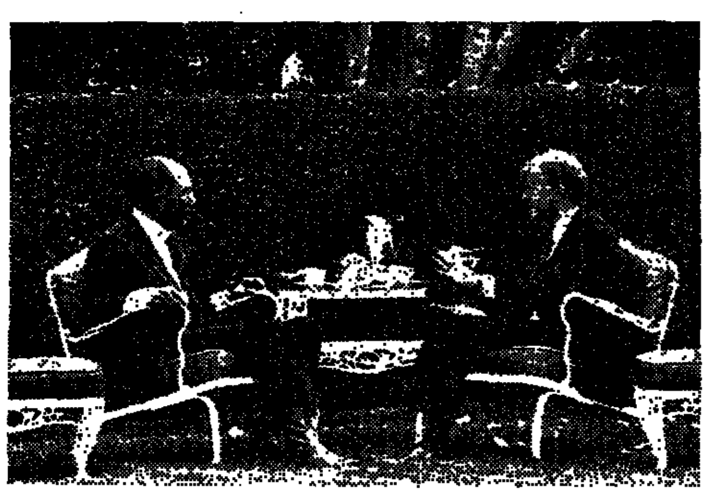
An indication of the desire among U.S. banks to branch across state lines came last month when Citibank, the largest New York bank, injected $12m into Central National Chicago Corporation and took an option to acquire 27 per cent of its equity if and when banking laws would permit it.

The legislation has been drafted by the Financial Institutions' Examination Council, a group of bank regulators *chaired by the Comptroller of* the Currency Mr John Heimann, and it is being sent to Representative Henry Reuss, chair*man of the House Banking Com*mittee.

The proposals are a clear sign of the unease among bank regulators over the possible impact of the severe financial pressures facing some institutions as a result of soaring interest rates.

As several regional banks do not like this potential competi*tion, carefully designed* conditions have been written into the draft legislation to ensure that these *takeover can* only happen in extraordinary situations and, in the case of banks, only if the acquired institution has *assets* of over $1.5bn.

Carter reminds Begin of pledges



President Anwar Sadat and President Jimmy Carter begin their Middle East peace talks in the White House Rose Garden.

WASHINGTON — President *Carter has publicly* reminded Mr. Menahem Begin, Israeli Prime Minister, of his Camp David pledge to grant "full autonomy" to the more than 1m Palestinians living in Israeli-occupied territories.

"It would be inconceivable that we would let this promise slip through our grasp," President Carter said in toasting President Anwar Sadat of Egypt at a White House dinner after the first of two days of talks between *the two leaders.*

Mr. Carter and Mr. Sadat resumed their discussions at the White House yesterday *and Mr. Sadat planned to* meet various officials and Congressional leaders later Wednesday and scheduled a *brief evening session with* Mr. Henry Kissinger, former Secretary of State.

Mr. Sadat responded to Mr. Carter's *toast* with effusive praise for the U.S. President and a firm commitment "to pursue our mission until a comprehensive settlement is achieved." While never mentioning the official May 26 target date for conclusion of the stalled negotiations *between Israel and Egypt* over the Palestinian question. Mr. Sadat insisted: "a real transfer of authority must *take place, and a new era* of reconcialiation should begin."

Mr Begin, due in Washington next week for talks with President Carter, has offered to relinquish control over some day-to-day affairs but would maintain Israel's hold on the territories won from Jordan and Egypt in the 1967 six-day war.

President Carter, however, *in what he called "a toast to* peace," recalled that the Camp David accords of September 1978 call for "the organisation of a self-governing authority in the West Bank and Gaza, derived through free elections held by *the people who live in those* two troubled areas."

Anderson to study three-way race

BY OUR WASHINGTON STAFF

MR. JOHN ANDERSON, the liberal Republican Presidential *contender, is* to commission a national poll to ascertain his impact if he were to run as a third-party candidate in the November election.

He has come under much pressure recently to leave the Republican Party and contest the general election as an independent. On Tuesday Mr. Stewart Mott, the wealthy philanthropists who has frequently financed liberal Democratic causes in the past, announced he was forming a special committee to put Mr. Anderson's name on the New Jersey ballot as an independent.

As Representative Anderson well knows, third-party candi*dacies are invariably doomed to* failure. Not even the hugely popular Mr. Theodore Roosevelt was able to get his Bull Moose Party far off the ground in the 1912 election.

Mr. Anderson hinted in an interview with the New York Times that a key indication from his poll would be whether he *would harm most President* Jimmy Carter or Mr. Ronald Reagan by taking the third-party route.

Although a Republican, Mr. Anderson seems more concerned that he could put Mr. Reagan in the White House than help re-elect Mr. Carter. His attacks on the Republican front-runner have grown increasingly sharp

Most observers believe that an Anderson third-party candidacy would draw more votes from Mr. Carter than Mr. Reagan, perhaps critically if the race between the two main contenders is close. Mr. Anderson believes he would draw support from both in equal proportion.

Mr. Anderson: stepped-up attacks on Reagan.

Games boycott pressure increased

BY OUR WASHINGTON STAFF

THE CARTER Administration is continuing to increase the pressure on the U.S. Olympic Committee to ensure it does not defy the President by sending an American team to the Moscow Olympic Games.

The latest wrinkle before this weekend's USOC meeting in Colorado was the implied threat to revoke the committee's tax exempt status. The Administration has also warned it would try to change USOC's charter from Congress and to stop the $4m it gets from Congress.

At the same time Government officials have asked private companies who had pledged financial support for the Olympic effort to withhold contributions. One such firm, Sears Roebuck, the retailing company, has agreed to comply, *as others* may have done.

USOC could decide this weekend not to send a team to Moscow. *But it could* also defer any decision to next month, shortly before the May 24 deadline by which entries for the Games must be filed.

Potential U.S. Olympic athletes have been growing more vocal in opposition to Mr. Carter's determination to boycott the games. This opposition has been encouraged by reports from overseas, most notably Britain, where various national Olympic committees seem determined to participate in the games regardless of the wishes of their governments.

But the Administration has been joined by Congress in urging a boycott. Most public opinion polls also find little support for sending a U.S. team to Moscow.

Cognisant of this, Mr. Hodding Carter, the State Department spokesman, took a tough line earlier this week when he sarcastically remarked: "We made a fatal assumption back in February that athletic organisations—no less than farmers, no less than businessmen, no les than people intereted in cultural and other exchanges—were going to believe that business as usual usual could not be the order of

WORLD TRADE NEWS

Pakistan and Iran may start cargo business

By Simon Henderson in Tehran

IRAN and Pakistan are considering setting up a joint air cargo company using Iranian Air Force cargo aircraft which have been largely idle since last year's revolution.

Iranian officials say the proposed company *could* use several of the nine Boeing 747s and 13 707s operated by the Iranian Air Force. It *could also use their crews.* Apart fro mtwo o fthe 707s, which are fitted out as inflight refuelling aircraft, they *would not need any conver*sion. By contrast Iran Air, the national carrier, has only one specially designed cargo *carrying aircraft.*

Reports from Karachi say Pakistan International Airlines (PIA) has agreed to lend two of its 747s for the service which would start operating with four or five aircraft. Iranian officials say the service could operate on the lucrative European and Gulf routes.

An advantage for Iran in such a scheme is that, as a Moslem neighbour, Pakistan would not be likely to join *in any sanctions programme* in support of the U.S. bid to free its diplomats being held hostage.

In spite of high costs, an air cargo service would help Iran fly in badly needed goods to beat any sanctions. Already in the last few weeks an Iranian air force transport aircraft is reported to have been used on at least one occation to fly in eggs from Eastern Europe to meet a temporary shortage.

A major doubt about the scheme, however, is the state of Iran Air, which is believed to be financially precarious. *Many aircraft are underused* as international routes have been cut back. Iranian nationals receive a 40 per *cent discount on their tickets,* which must also affect profitability. A new ban on Iranians travelling abroad *more than once* every two years will also reduce load factors.

GATT rules against Oslo curbs on HK textiles

BY BRIJ KHINDARIA IN GENEVA

CURBS APPLIED by Norway *on textile imports from Hong* Kong have been declared illegal by a special inquiry panel of the General Agreement on Tariffs *and Trade (GATT).*

In its so far confidential report, the panel has ruled that Norway must either "imme*diately terminate" the curbs in* force since January, 1978, or alter them to conform with GATT'S Article 13, which stipu*lates that quotas on imports* must be applied without discrimination to all suppliers.

Norway imposed the curbs *under GATT's Article 19, which* permits safeguard measures to protect ailing domestic industries against harmful competition from cheaper imported goods.

Hong Kong, represented in the panel by Britain, argued *that Article 19 violated Article* 13 because Hong Kong's share of reduced overall import quotas from developing countries fell *excessively since six developing* countries, as well as all members of the Common Market and the European Free Trade Association were excluded *from* those safeguard measures.

Norway, which does not belong to the multi-fibre arrange*ment (MFA)* tht regulates the world's textile trade, said the curbs became necessary because low-priced textile imports from the Third World increased by 159 per cent between 1973 and 1977. Included in this increase was a 230 per cent rise in imports from Hong Kong.

Norway has promised to lift the curbs if Hong Kong reaches an "acceptable" bilateral agree*ment with it along the lines* concluded with the six developing countries exempted from the safeguard measures.

The panel's ruling means that Norway cannot discriminate against Hong Kong in allocating import quotas for the protected *textile products despite* the absence of any accord between the two trading partners.

Philips backs TV import control

EINDHOVEN—Executives of NV Philips say they would favour some form of "orderly marketing arrangement" between the European Community and Japan to temper the expansion of Japanese TV exports and give European industry time to restructure and compete more effectively *in the future.*

Mr. Leo Heessels told a Press briefing that Philips supports proposals before the European *Community Commission* to regulate TV imports in light of the competitive advantage gained by Japanese manufacturers *with the softening of* the yen on the foreign exchange market.

Mr. Heessels said that Philips "strongly supports free trade" but that, under the circumstances, European industry must have an opportunity to "restructure" in order to be in a position to compete better.

Efforts to promote European TV exports to Japan have not been successful, he added. "Although there are no official barriers, it is difficult to get a foothold, given the structure of Japanese society," he said.

In a related development, the Dutch Ministry for Economic Affairs said that an official *delegation is visiting* Japan this week to discuss ongoing bilateral trade issues.

Meanwhile in Tokyo the Trio-Kenwood Corporation, Japan's second largest specialised manufacturer of sound equipment, said yesterday that it may decide to establish plants for production of stereo sets in Britain or some other member of the EEC.

A Trio official said his company will make up its mind this year whether to go ahead with EEC production. Britain is believed to be the strongest possibility, but Belgium is also being considered, he added.

Trio began considering EEC production mainly because of a growing move to protectionism in member countries.

Agencies

Mexico seeks Japan aid in return for extra crude

TOKYO — Sr. Jose Andras Oteysa, the visiting Mexican Industry Minister, said increased supplies of Mexican crude *oil* to Japan after this year would depend on Japanese economic co-operation, Japan Government officials said.

Sr. Oteysa told Mr. Yoshitake Sasaki, Japan's International Trade and Industry Minister, that Mexico wanted increased *assistance for projects including* copper mining developments and railway modernisation, they said.

Mexico has pledged to supply Japan with up to 100,000 barrels a day of crude oil by the last quarter of this year, while the Japanese Government is seeking double this amount from next year.

Sr. Oteysa, on a six-day official visit to Japan, also discussed Japanese economic aid for construction of two joint-venture steel pipe and forging factories and to expand a steel mill as Sicarsa.

● A group of Japanese companies, headed by Tokyo Gas, has signed a letter of intent to buy 6m tons a year of liquefied natural gas (LNG) from Sarawak.

While details remain to be worked out, the deal, discussed during the sixth international conference on LNG in Kyoto, *will require construction of five* 125,000 cubic meter capacity ships to transport the gas to Japan.

Tokyo Gas will use 2m tons a year of the LNG while 4m will be taken by Tokyo Electric.

Reuter

Joint Saudi NZ energy venture

By Dai Hayward in Wellington

NEW ZEALAND and Saudi Arabia have set up a NZ$20m (£8.7m) joint investment company to develop New Zealand's energy and natural resources.

An investment company owned by Prince Nawaf, a member of the Saudi royal family, will hold 50 per cent of the new company. New Zealand's State-backed Development Finance Corporation (DFC) will hold 25 per cent and other New Zealand interests wil lshare the remaining 25 per cent.

The company intends to invest in new projects rather than *seek shares in existing* companies.

Mr. John Hunn, general manager of the DFC said the joint venture was an ideal way to introduce overseas investment capital to develop New Zealand's resources over the next decade. The country's future economy would need a partnership between the public and private sectors and the new corporation would provide this.

New Zealand's Opposition *Labour Party has criticised* the details of the agreement, saying New Zealand must have more than 50 per cent *interest in this type of agree*ment. A future Labour Government would insist on this. It would also make public *full details of the agreement* —something which has not been done, according to Mr. Wallace Rowling, Labour Party leader.

Two weeks' ago, the sale of a rich area of farm land to Prince Nawaf brought severe criticism both from the Labour Party and from some farming interests.

Davy McKee wins $165m U.S. contracts

Financial Times Reporter

DAVY McKEE subsidiaries in the U.S. have received instructions to proceed with a variety of contracts totalling more than $165m (£76m).

The orders secured so far cover a wide range of technology from chemicals to foodstuffs, oil and natural gas to non-ferrous metals and minerals.

Included is a multi-million dollar contract with Pioneer Uravan which has authorised a California office of Davy McKee to proceed with design, engineering, procurement and construction management for uranium/vanadium project in Colorado that will process 1,000 tons of ore a day.

Facilities will include an ore-buying station, crushing and grinding systems, uranium and vanadium recovery circuits and infrastructure. Work on the project began in February and start-up is scheduled for December 1981.

Bank of Tokyo branch starts Peking operation

BY TONY WALKER IN PEKING

JAPAN'S business links with China were strengthened this week when the Bank of Tokyo *opened a representative office in* Peking.

China has business relations with 33 Japanese commercial banks, and the Bank of Tokyo is one of Japan's biggest commercial banks.

Last week Japan's Export-Import Bank also opened an office in Peking. This followed an agreement last May under which the Japanese Bank offered China untied loans equivalent to about $2bn at a preferential interest rate.

Chinese and Japanese banking representatives are still working out final details of the loan package, under which Japan offered the money for development of energy projects in oil and coal.

Meanwhile, the Bank of China is expected to set up an office in Tokyo soon.

● In the first attempt by China to invest capital in Japan, Peking will set up a joint venture with the Seibu Department Stores of Tokyo for distributing Chinese goods throughout the country, AP-DJ reports from Tokyo. The Tokyo-based concern is to be called Peking-Seibu and will be capitalised at $390,000 and managed equally by the Japanese store and Peking. Seibu said the new company will deal in Chinese medicine, foodstuffs, carpets and handicrafts.

AUSTRALIAN TRADE

Strengthening links with ASEAN states

BY PATRICIA NEWBY IN CANBERRA

OVER THE past few months Australia has been devoting an increasing amount of energy to *broadening* the basis *of* the relationship with its neighbours in the Association of South East Asian Nations (ASEAN).

During this decade the trade gap, already heavily in Australia's favour is likely to increase. Australia would dearly like to shift this imbalance to take the pressure off prickly issues such as bilateral balances and market access for ASEAN goods, especially footwear, clothing and textiles.

Under pressure from ASEAN, Australia earlier this year dropped the trade preference's remaining on 500 British goods which could be seen to be competing with ASEAN imports. *Australia's Minister for Transport* also bowed to ASEAN pressure by promising to discuss any air fare reductions planned for routes to and from Australia. The ASEAN group comprises Thailand, Singapore, Indonesia, Malaysia and the Philippines.

Trade with ASTN, which has been identified as a priority by the Government, was put under the control of the Ministry for Special Trade Representations which is serviced by a small department of about a dozen senior trade officials who work specifically on Australia's trade with New Zealand, ASEAN and the EEC.

Senator Douglas Scott, the Minister for Special Trade Representations, recently returned from a visit to the capitals of the ASEAN countries where he outlined Australia's philosophy This is that bilateral relations should be seen in the wider context of world trade and Australia's potential to participate in the development of the region as a whole.

According to this philosophy, Australia's proximity and reliability as a supplier of raw materials, particularly coal, could bring benefits to the rapidly industrialising ASEAN economies even though the trade balance might remain heavily in Australia's favour.

Australia is trying to persuade the ASEAN countries to see trade with Australia in this context. Coal imports from Australia for example, could lead to savings in oil imports and therefore an overall improvement in the total trade balance.

Trade volumes between ASEAN and Australia are not high compared with their trade with Japan, the U.S. and the EEC. However, they have been growing quickly — Australia's imports from ASEAN, for example, have grown by 37 per cent a year since 1971.

In the last financial year total trade turnover with ASEAN was A$1.7bn (£850m) accounting for 7.7 per cent of Australia's exports and 4.7 per cent of imports.

The overall balance of trade in Australia's favour was A$447m although the balance with Singapore was A$14m in Singapore's favour.

Australia goods comprised 6.4 per cent of Malaysia's imports, 3.7 per cent of the Philippines, 3.5 per cent of Indonesia's 2.2 per cent of Thailand's and 2.0 per cent of Singapore's. The percentage of exports going to Australia were 4 per cent from Singapore, 2.2 per cent from the Philippines, 1.8 per cent from Malaysia, 1.0 per cent from Indonesia and 0.9 per cent from Thailand.

The small proportion of ASEAN exports reaching Australia has been a major bone of contention. ASEAN has been constantly pressing Australia for more liberal market access for textiles, footwear and clothing which are subject to quotas and tariffs. The ASEAN group publicly criticised Australia's protectionist policies when Australia was trying to gain better access for its own products into the EEC.

Australia, on the other hand, points out that less than 4 per cent of ASEAN exports to Australia are subject to quotas and 88 per cent enter duty free or are eligible for preferential treatment.

Even if all protection is removed there is a limit to the size of market than can be provided by only 14m Australians. Last year Australians bought an average of four pairs of imported shoes and, on a per capita basis, the country imports four times as much of these sensitive goods than the U.S. *and the EEC* and eight times as much as Japan.

Apart from ASEAN, Australia is under obligation to take some *imports from other Asian* countries such as Taiwan, India and South Korea with whom it also has a positive trade balance.

Australia has recently taken a number of initiatives to help ASEAN businessmen sell their goods in Australia including the second ASEAN trade fair which will be held in Melbourne next August.

The ASEAN-Australia Economic Development Programme has been established to promote trade and Australian businessmen have been encouraged to invest in the ASEAN region. The A$500m already invested is cited as evidence of Australia's goodwill towards the region when consideration is given to the heavy demand in Australia for investment funds.

Some bureaucrats argue that the region can best be served by Australia establishing itself as a cheap and reliable supplier of energy and raw materials, regardless of individual trade balances.

But there is almost certain to be an increase in transfer of technology in the next few years *because of the Australian* Government's desire to placate its strategically vital neighbours over the inability to absorb *more ASTAN imports.*

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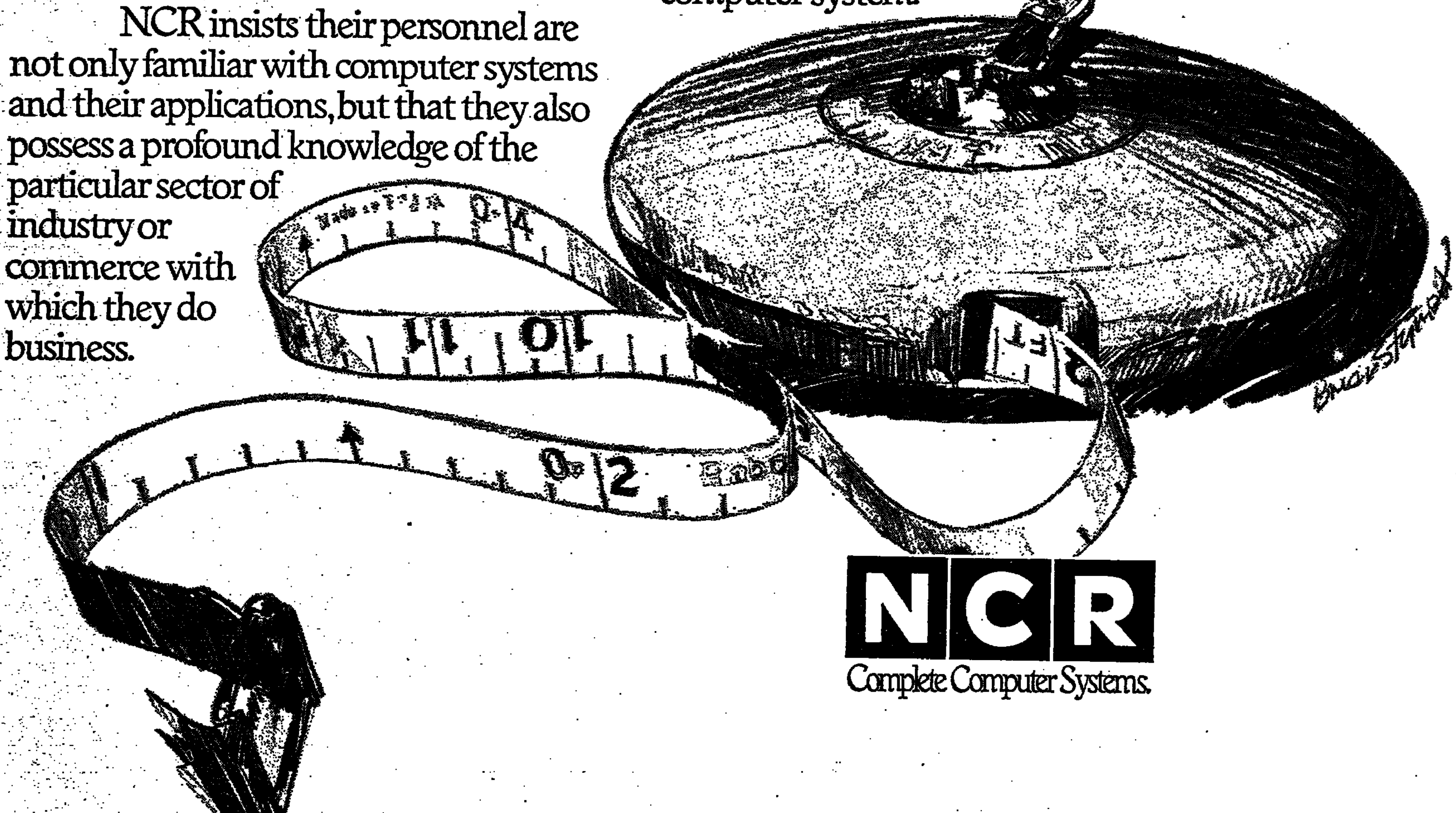

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Government plans to abolish register of business names

BY CHRISTINE MOIR

THE GOVERNMENT is pressing ahead with plans to cut services offered by the Registrar of Companies as part of its general cost cutting exercise in spite of strong opposition from major users of the services.

A consultative document, published yesterday, recommends the abolition of the register of business names, the abandonment of case-by-case vetting of company names and restrictions on public access to original documents filed at Companies House.

The savings are expected to be about £1.5m compared with an overall running cost for the Registrar's department of about £14m.

Major users of Companies House have called the cuts false economies. They say the reduction in the services will provide a "rogues charter" for "fly-by-night" businesses.

Abandoned

The major change suggesed involves the registration of company names. Since 1948 the Registrar of Companies has individually vetted every proposed company name to ensure that it is not misleading nor too similar to an existing company's name.

Now that system will be abandoned in favour of the pre-1948 arrangements. Then, certain words on a statutory list were not allowed in company names without approval.

Existing companies will have the task of preventing new companies from adopting names similar to their own. It will be open to them to take their case to the civil courts.

In a separate move the Government proposes to abandon the requirement that unincorporated businesses should register their business names and the name and address of the proprietor on a central register.

Credit checking agencies, in particular, make considerable use of this register, but the Registrar of Companies is believed to have recommended its abolition because of difficulties in enforcing it and keeping it up to date.

There are also plans to repeal the section of the Companies Act which r equires companies to print the names of their directors on their letters and business documents. Such a move would also make it harder to track down individuals responsible for companies.

Finally, physical rearrangements to the Companies House services—planned as a result of the change to microfilm storage—will mean that original documents will no longer continue to be publicly available.

The consultative document is expected to be translated into a Bill for presentation to the House of Commons early next year.

Companies Registration and Business Names: Proposals for Reducing the Functions of the Department of Trade. Available from Companies Registration Office, Room 348, Crown Way, Maindy, Cardiff.

Rabbit farmers join union

THE COMMERCIAL Rabbit Association, whose 850 members produce 6,000 tonnes of rabbit meat a year, hs affiliated to the National Farmers' Union.

Association members' annual production, much of which is exported, is estimated to be worth about £11m.

Retail sales ahead of 1979 average

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SPENDING in the shops held held up during the first two months of this year at a higher level than in the second half of 1979.

This is indicated by a final estimate of retail sales volume for February and by figures for hire purchase and other credit business in the same month published yesterday by the Department of Trade.

The final index of the volume of retail sales in February is 104.1 (1976=100 and seasonally adjusted). This compares with a provisional estimate of 104 for the month, a revised figure for January of 103 and an average level of 100.6 in the second half of last year.

Between December and February, the volume of sales was 2 per cent higher than in the previous three months. The Department of Trade suggests that one possible reason is longer special "sales" as retailers tried to reduce their relatively high stock levels.

A wide range of retailers, including food supermarkets as well as specialist durable goods shops, stores and non-food multiples, have undertaken price-cutting promotional campaigns.

Lending

The amount lent by finance houses and other specialist consumer credit grantors in February was £417m. This was higher than in December or January but lower than in October or November. This largely reflected the big promotional drive by the car manufacturers, notably BL, which resulted in a sharp rise in car registrations in February.

Lending by retailers, however, fell in January, so that total hire purchase and consumer credit lending of £667m in February was virtually the same as in the previous months. These figures allow for seasonal variations.

Total advances between December and February were 2 per cent lower than in the previous three months. Since the figures are in current prices, this suggests a much larger fall in the volume of new credit. Lending by finance houses and other specialist consumer credit grantors over the period dropped by 5 per cent (in spite of the high February figure), while lending by retailers rose by 2 per cent.

The detailed breakdown of the retail sales volume figures shows that the average trade of mixed retail business between December and February was 4 per cent higher than in the previous three months. Sales by both clothing and footwear and by household goods retailers rose by 2 per cent. The volume of sales by food retailers increased by 1 per cent.

On the basis of non-seasonally-adjusted data, the value of total retail sales in February was 19 per cent higher than in the same month a year ago. In the first two months of this year, the average weekly value of sales was 18 per cent higher than in the same period of 1979.

P.O. staff face reallocation

BY ELAINE WILLIAMS

DECISIONS ON internal changes at the Post Office in anticipation of its split into two organisations will be taken in June, Sir William Barlow, the corporations chairman, said yesterday.

Staff employed at the Post Office's central headquarters are to be reallicated to the postal or telecommunications businesses. Members of staff will be allowed to state their preference for either organisation.

It is likely that many will choose telecommunications, because pay levels are higher. Those who opt for telecommunications, but are unable to obtain a post, will be eligible for the higher rates of pay.

The Post Office has set up two separate management boards for posts and telecommunications under the existing statutory board. They will become independent when legislation is placed before Parliament later this year.

Sir William will remain chairman of both boards until the Government appoints chairmen-designate for them shortly.

Members of the Post and National Girobank Board are: Mr. Denis Roberts, managing director National Girobank; Mr. Kenneth Young, personnel and industrial relations; Mr. Charles Beauchamp, finance; Mr. Derek Gladwin and Miss Eileen Cole.

Members of the Telecommunications Board are: Mr. Peter Benton, managing director; Mr. lations; Mr. Charles Beauchamp, *Sir George MacFarlane*, engineering policy and research; and Mr. David Cormie.

Esso's second Fife application

By Sue Cameron, Chemicals Correspondent

ESSO SCHEMICAL has put in a new planning application for its proposed £300m ethylene plant at Mossmorran in Fife.

The company has decided that it wants to put the plant at the south-west corner of the Mossmorran site instead of at the northern end.

One reason for the change is that a disused railway line could be restored on the northern part of the site to serve any later, downstream plants that may be built there.

Esso Chemical is known to be thinking of building a major plastics material plant at Mossmorran, although no final decision has yet bee ntaken. The plant would probably cost something in the region of £100m and would use ethylene from the 500,000 tonnes a year plant already planned.

The plastic material produced from such a plant—probably polyethylene—would have to be transported to other parts of the country where it could be processed and turned into finished plastic products.

Esso Chemical said yesterday that it would be possible to restore a railway line running across the northern part of the Mossmorran site.

Esso Chemical originally planned to invite other chemical companies to build downstream plants on the Mossmorran site. This possibility has not yet been ruled out. Any plants built there would use ethylene from the Esso Chemical cracker as feedstock.

Esso Chemical said the other reason for putting in a new planning application was that the ground at the south-west corner of the site was firmer and would be better able to bear the weight of the heavy ethylene plant.

The new application, which is for outline planning permission for the ethylene plant only, has been submitted to Kirkcaldy District Council. Esso already has outline permission to put the ethylene plant at the northern end of the site.

The ethylene plant will use gas from the North Sea Brent Field as a raw material rather than naphtha, the oil-based petrochemical feedstock. The gas will come from a separation plant being built at Mossmorran by Shell and Esso.

Ethylene is the so-called building block of the chemical industry and is used in the manufacture of a wide range of products, including plastics.

Problems of rust which beset the car makers

John Griffiths looks at the background on Lancia's six-year anti-corrosion warranty

TWO MONTHS ago, Lancia in the UK began offering a six-year anti-corrosion warranty on its cars. They are shipped to Britain from Italy and given rustproofing treatment at Lancia's premises before being offered for sale.

That Lancia feels the necessity to do this, on top of new zinc plating processes introduced at the Italian factory two years ago, underlines the major preoccupation with corrosion in the past few years. This is not just at Lancia—although Italian products were the subject of particular criticism during the mid 70s—but among manufacturers throughout Europe.

The offering of warranties against corrosion has been growing. BMW, Porsche, VW and Fiat are among those offering warranties of two years and upwards. Other majors say they are not necessary.

But since the mid 70s all have been investing in facilities to reduce rust problems and most now say a car's body life has been effectively doubled from a decade ago.

The problem is two-fold: the first, and more serious, is rusting from within, inside metal box members and other structural members.

It is this type of problem which has beset the Lancia, to the extent that rear engine mountings have been rusting through and causing the engine to drop.

Although the Transport Department is to investigate the matter, Lancia says no safety hazard is involved. The cars, therefore, were not subject to mandatory recall—an assessment with which Mr. Marcus Jacobson, the Automobile Association's chief engineer, agreed yesterday.

All the cars affected are four or more years old. Lancia says the anti-corrosion processes now operating at Turin have eradicated the problem from more recent models.

These changes are in line with processes adopted by most manufacturers during the past few years.

Zincrometalling — effectively zinc plating on sheet metal before bodies are pressed — is becoming increasingly standardised.

It is widespread practice for body shells to be cleaned after assembly with high pressure de?ionised water. Box sections and internal areas are wax injected, with flexible PVC sprayed on to underbodies and other vulnerable areas.

BL was among the first with wax injection on its Marina model in the early '70s and this now covers much of BL's range.

But the process has by no means been perfected. BL only recently completed monitoring equipment which aims to ensure all internal areas are fully coated.

The problem is a substantial one. If minor areas are missed, galvanic action can accelerate corrosion.

The second, and more obvious, problem of surface rust has posed manufacturers with equal problems. But the industry is in the middle of a changeover to a new paint process which is expected to succeed in the battle to inhibit rust. It will not be eliminated as long as cars have steel bodies.

New BBC finance ideas

BY MAURICE SAMUELSON

NEW METHODS of financing the BBC and taxing independent television were suggested yesterday by Sir Michael Swann, who is to retire shortly after seven years as corporation chairman.

Delivering the Fleming Memorial Lecture at the Royal Television Society, Sir Michael said that in view of the unpopularity of raising licence fees, the corporation's income could be increased by an addition to the weekly or monthly rentals of television sets.

He mentioned several alternatives to the present licence system, such as an increase to the National Insurance stamp and to electricity bills. However, these had been vetoed by the Department of Health and Social Security and Electricity Boards.

More money could also be raised by imposing a special levy on the turnover of the second independent television channel rather than on independent companies' profits, as at present.

Warning on high-tar cigarette exports

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE GOVERNMENT has cautioned major tobacco companies about their exports to developing countries of cigarettes with a tar content higher than that of those sold in the UK.

The action was made known last night by Si rGeorge Young, junior health minister, at an international conference in Geneva organised by the World Health Organisation.

Sir George told delegates he was "particularly concerned about cigarettes being manufactured for export to the developing countries with a higher noxious content than would be permitted in the home market."

He added: "I deprecate this practice and have made my views known to some of the companies concerned."

Sir George acknowledged that the UK Government could not stop developing countries from importing high-tar cigarettes. But he urged Governments in the developing countries to "weigh up all the costs and devise a comprehensive preventive strategy to protect its population."

Trade estimates indicate that the UK exported more than 37bn cigarettes last year. Most of these went to Europe, though both the Middle East and Far East markets are growing fast.

Sir George, a fervent anti-smoking campaigner, is currently leading the Department of Health's negotiations with the tobacco companies for tighter curbs on cigarette advertising.

He hinted that the Government had ruled out any statutory ban on cigarette advertising. He said that the British tradition of proceeding by consent "can produce encouraging results." However, he pointed out that "supporters of voluntary agreements must recognise the health interest opposes the interests of the tobacco lobby on this matter."

Scottish TUC criticises enterprise zone policy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT'S proposal to set up enterprise zones to stimulate development in run down inner city areas is strongly *criticised today by the Scottish* TUC.

The policy document issued after Sir Geoffrey Howe's Budget speech showed little understanding of the real issues and little evidence of genuine commitment to regenerating the economy, it says.

In a letter to the Government, *the Scottish TUC General Council* says the policy is based on the false assumption that planning regulations are a major factor inhibiting industrial development.

"The reality is that the major factors inhibiting development are lack of demand in the market, superimposed on decades of neglect of domestic manufacturing investment by *British* companies which has left vast sectors of industry hopelessly uncompetitive.

"These are the real problems and unfortunately the other provisions in the Budget will exacerbate them. The policy proposals on enterprise zones are an attempt by the Government to paint a silver lining on *a very black* cloud."

At present most planning applications for industrial or commercial development are processed in a few weeks, the letter says. Longer delays are almost invariably the result of objections from such bodies as river purification boards or the Health and Safety Executive.

It is difficult to see how planning procedures can be streamlined further without jeopardising essential health, safety, pollution and building standards.

The Scottish TUC says that allowing firms in enterprise zones to be exempt from the scope of industry training boards will mean only more serious skil shortages, already impeding economic development in many areas.

The policy document refers directly neither to manufacturing industry nor unemployment, it says. The Government's intention is clearly to get the maximum propaganda with the minimum effort.

Business failure total is highest since third quarter of 1977

BY LISA WOOD

AN INCREASE in business failures during the first three months of the year was reported by the Trade Indemnity Company yesterday.

The company, which offers policy holders a collection of overdue accounts service, said 494 failures were notified, compared with 346 the previous *quarter and 380 in the same* period of 1979.

This was the highes total since 513 in the third quarter of 1977.

All main trade categories recorded increases between the final quarter of last year and the first quatrer of 1980. Except for building and construction, all showed increases on the first quarter of 1979.

The number of engineering and metals failures increased substantially, to 114. This no doubt reflected the after-effects of last year's engineering strike, said Trade Indemnity.

The company, which underwrites credit insurance business, also reported an increase in both the number and value of collections of overdue accounts which its policyholders handed over.

At 1,795 the number of col*lections was the highest since* the 1,810 notified in the first quarter of 1977. The value, at £3,236,861, 'easily set a new record for any quarter," said Trade Indemnity.

An analysis of collections notified by trade of policy holder in the first quarter, compared with the same period of 1979, shows increases in number and value for most trades. Taking value figures alone, *there were increases in all* trades except paper and printing and vehicles.

Bluecoat schools to merge

THE TWO Christ's Hospital—Bluecoat—schools founded by Edward VI in 1552 as a single institution are to merge in about five years.

The Christ's Hospital Council said yesterday the reason was mainly financial. But it also felt the boys and girls would benefit from being educated together.

The new school will be at Horsham, Susse—the boys' present school. The girls' school is at Hertford.

● NEWS ANALYSIS—DAVID CHURCHILL CONSIDERS THE NEW COMPETITION ACT

The problem of definition

OFFICE of Fair Trading officials this week began to narrow their choice of companies to be investigated under the new Competition Act, which became law last week.

The Office has about 20 possible companies on its shortlist for investigation. Its new powers enable it to investigate any anti-competitive practice by a single company which it believes may distort competition.

It can then refer the company and practice to the Monopolies and Mergers Commission for a six-month investigation to determine whether the company's activities are against the public interest. If so, the company can be forced to abandon its anti-competitive behaviour.

The legislation also enables the Trade Secretary to refer any public sector body directly to the Monopolies Commission for investigation. Included are all nationalised industries, the commercial activities of local authorities, public transport services, water boards and agricultural marketing boards.

The first such public sector investigation—into the commuter services of British Rail in the south-east—has already been announced. It will begin this week.

Informal

But it is identifying anti-competitive practices by indivdual companies which is of immediate interest to Fair Trading officials. The Office intends to announce the first four companies to be probed within the next few weeks, after certain enabling orders have passed through Parliament.

The Competition Act does not specify exactly which company practices are anti-competitive—it was considered too rigid to define these by law. So the Office has been forced to draw up its own informal criteria for likely investigations.

The Confederation of British Industry, which has voiced some reservations about the scope of powers under the Act, intends to monitor closely the Office's activities.

Office investigators are believed to have drawn heavily on past Monopolies Commission reports, which identified anti-competitive practices the commission considered against the public interest at the time.

The Office is unlikely to investigate the same companies involved, but the commission's reports have given it a basis to work on.

Some seven such practices have been identified from the *commission's reports.* These are:

1—Supply restrictions to retailers: the commission's report on infant milk foods, published in 1967, found that their distribution by the two major manufacturers — Glaxo and Cow and Gate—was predominantly through chemists and clinics. The commission decided that this was against the public interest, as it inconvenienced the public in areas such as rural villages where there were no retail chemists.

2—Restrictions on the sale of competitors' goods: in its 1973 report on asbestos products the commission concluded that one activity of the dominant manufacturer, Turner and Newall, was its practice of entering into agreements with certain customers, which restricted them from buying asbestos textiles, packing and jointing products from its competitors. Customers were also prohibited from selling any of those goods not made by T & N.

3—Full-line forcing: in a report on metal containers, published in 1970, the commission found that a number of practices carried out by Metal Box were against the public interest. One was the offering of substantial discounts for customers dealing exclusively with Metal Box long-term.

The commission decided the scheme was essentially a device for inducing customers not to place orders elsewhere—and concluded that it was not justifiable.

Patents

4—Rental-only contracts: the 1976 report on photocopying machines found that Rank Xerox—the dominant company—pursued a policy fo supplying its copying machines on a rental only basis, with no provision for outright purchase. The commission took the view that such conditions restricted consumer choice by not offering a sale option and by preventing development of alternative leasing arrangements by leasing companies.

5—Tie-in sales: the report on colour film, published in 1966, drew attention to the practice of including the price of processing in the price of colour film. The commission concluded that this operated against the public interest, as it limited new film processers from entering the market.

6—Patent licensing policy: The 1976 report on photocopying machines also found that both Xerox and Rank Eerox had accumulated large numbers of patents to protect their inventions. The commission concluded that the practice of numerous patents was designed to make it difficult for new companies to enter the market and was against the public interest.

7—Discriminatory pricing: the commission's 1968 report on manmade cellulosic fibres found that Courtaulds, the main producer, would supply fibres at cheaper rates to certain customers. The commission was particularly concerned that the customers receiving such preferential rates were often subsidiaries or associated companies of Courtaulds.

EEC food price reversal urged

BY RICHARD EVANS, LOBBY EDITOR

FURTHER criticism of the Government's EEC food price agreement was made yesterday *by Dr. David Owen, Shadow* Energy spokesman, after widespread anxiety on both the Opposition and Conservative benches.

Dr. Owen, a leading Labour pro-marketer, said the move accepted by Mr. Peter Walker, Agriculture Minister, in Brussels last week "could lead inexorably to Britain's withdrawal from the EEC."

He urged that the decision to tax food imports and subsidise exports should be reversed immediately, even if it meant Mr. Walker's resignation or transfer.

There is likely to be renewed criticism of the tactic—which will increase Britain's net EEC budget payment when Parliament resumes next week.

Dr. Owen told Labour trade unionists at Esher, Surrey, he was amazed that no-one in Government seemed to realise the gravity of the step that had been so lightly taken.

The Government had lost all credibility in Europe. It was now seen as advocating the high Community food prices it had hitherto condemned.

"Has Peter Walker taken leave of his senses? Who is in control of our negotiating *strategy in Europe?" Dr. Owen* asked. Was it the Foreign Secretary or the Prime Minister, or was there no strategy and no co-ordination.

He believed the sequence of events was not hard to envisage. The farmers who voted Tory would be happy and the consumers suffer *once again. Prices* and inflation would increase and wage claims mount. The European Community would be blamed, yet the fault would lie with the Government.

Accountants face hearings

FINANCIAL TIMES REPORTER

THE English Institute of Chartered Accountants has referred the Department of Trade reports on Burnholme and *Forder, Brayhead, and Ozalid* Group Holdings to the accountancy profession's new disciplinary committees.

These are the first two cases involving accountants and auditors who have been criticised, to be dealt with under the new disciplinary arrange*ments.*

The action was taken following a review of the Department of Trade reports by the English Institute's investigation committee.

Under the profession's new joint disciplinary scheme committees of inquiry will now be established to look into all criticisms levelled against auditors *or other qualified accountants.*

Several directors of Burnholme and Forder were qualified accounants and were criticised by the report. The auditors, Josolyne Layton-Bennett, also came in for a measure of criticism.

In the case of Ozalid, the Department of Trade inspectors said that Peat Marwick Mitchell, the auditors, ought arguably to have resigned, but they did not direct any significant criticism against the firm.

CONTRACTS

Batteries for Army vehicles

OLDHAM BATTERIES, Manchester, has been awarded a contract, worth over £2m, for the supply of lead acid batteries to the Ministry of Defence for use in a variety of military vehicles in service with the British Army.

★

ML AVIATION COMPANY, a subsidiary of ML Holdings, has been selected by the aircraft division of the McDonnel Douglas Corporation to supply weapon carriage and release equipment for the AV-8B, the advanced version of the British Aerospace Harrier V/STOL aircraft. The contract, initially worth $2m (£933,000) is for full scale development of a bomb rack unit.

★

KENT PROCESS CONTROL, a Brown Boveri Kent company, has supplied instrumentation worth about £700,000 for an extension to the Lindsey Oil Refinery at Killingholme, South Humberside.

★

ITT BUSINESS SYSTEMS (UK) has installed visual display system at United Biscuits' headquarters in Liverpool. Valued at £250,000, the system incorporates remote controllers attaching over 100 visual display units and printers to two IBM 370/158 computers.

★

Windscreen-wiper manufacturer Trico-Folberth has placed an order with **HONEYWELL'S** general systems division for a Level 64/DPS-2 medium-scale computer and Level 6 mini-computer, worth £245,000.

★

DORMAN SMITH SWITCHGEAR, Preston, has received two orders totalling over £100,000 to supply control equipment for Exhibition Hall 7 now under construction at the National Exhibition Centre in Birmingham.

★

FERRANTI is to supply the telecommunication system for the Magnus oil field in the North Sea under a £750,000 contract with British Petroleum. A total communications package is being installed including: an automatic telephone exchange with provision for access to circuits to shore; communications to shipping and helicopters; portable radio tranceivers; a radio beacon; emergency VHF communications: line of sight links to adjacent platforms to allow connection to the Post Office network *on shore and a comprehensive* supervisory system.

★

GEC INDUSTRIAL CONTROLS has a £500,000 order from Imperial Chemical Industries Mond division, for the supply of 45 chlorine cell line shorting switches each rated 225 kA d.c. 4.5 volts. The switches are said to be unique in employing liquid metal, a *ternary eutectic alloy* of gallium indium and tin, as the switching medium in an inert atmosphere contained in a hermetically sealed module, which requires no servicing.

★

JONES AND HEALY MARINE is supplying under a £200,000 contract, three sonar docking systems to the Petroleum and Mineral *Organisation* of Saudi Arabia (PETROMIN) fothe Mobil terminal in Yanbu Harbour. The berthing system gives a numerical presentation of the ship's bow and stern speed of approach and distance-off from the jetty.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
4th qtr.	110.3	103.1	109	101.7	132.3	1,340	230
1979							
1st qtr.	110.2	102.8	98	100.7	134.0	1,351	234
2nd qtr.	114.9	107.1	106	106.2	144.8	1,299	256
3rd qtr.	113.3	103.2	99	99.5	144.6	1,269	247
4th qtr.	113.1	104.1	106	101.7	151.9	1,286	230
Oct.	112.1	102.8	101	100.8	149.1	1,282	237
Nov.	114.6	105.8	114	102.5	153.2	1,282	234
Dec.	112.5	103.8	103	101.7	153.1	1,294	219
1980							
Jan.	112.2	102.9		103.6	155.3	1,339	207
Feb.				104.1	158.7	1,414	181
March						1,414	181

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.2	124.0	96.9	99.5	102.2	20.3
1979							
1st qtr.	106.0	99.3	127.2	98.9	99.6	100.1	12.9
2nd qtr.	108.8	103.0	132.8	102.7	108.2	103.1	21.3
3rd qtr.	105.6	95.9	132.7	94.9	105.4	100.6	21.0
4th qtr.	105.1	101.2	130.1	99.4	99.2	96.2	18.1
Oct.	104.0	98.0	130.0	96.0	100.0	97.0	20.5
Nov.	107.0	103.0	132.0	101.0	101.0	98.0	19.2
Dec.	105.0	103.0	128.0	101.0	97.0	93.0	14.6
1980							
Jan.	107.0	103.0	127.0	102.0	61.0	98.0	13.1
Feb.							11.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
4th qtr.	122.5	112.9	−206	+534	−458	106.5	15.77
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−310	−229	106.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.19
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	− 88	102.6	22.72
1980							
Jan.	129.9	128.3	−321	−271	− 74	100.9	23.71
Feb.	136.8	129.1	−226	−176	− 52	100.6	23.93
March							26.96

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
4th qtr.	5.1	12.6	16.2	+2,891	839	1,954	17
Nov.	6.5	13.3	19.1	+1,094	134	698	17
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
Jan.	− 8.1	8.7	22.6	+ 792	235	668	17
Feb.	− 6.4	10.0	20.7	+ 495	199	667	17
March							17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.1	187.5	183.4	239.4	239.9	295.13	69.7
1980							
Jan.	162.6	193.5	188.5	245.3	244.8	308.69	71.4
Feb.		197.6	191.5	248.8	246.7	304.27	73.2
March		199.4	194.0			284.47	72.6

* Not seasonally adjusted.

Pact soon on new fighter aircraft

By Michael Donne, Aerospace Correspondent

BRITISH AEROSPACE and its European counterparts, Messerschmitt-Bolkow-Blohm of West Germany and Dassault of France, are close to agreement on the design of a new fighter aircraft to replace the Jaguar and Phantom jets in the late 1980s.

The three companies are working out the details of their agreements, including proposed work-sharing arrangements, but expect to send a firm plan to their governments this summer.

The aim is to build about 700 aircraft. At a cost of up to £7m per aircraft, this would involve outlays of about £5bn in addition to development costs, which would amount to several hundred million pounds.

The three companies have been working on the plan for a common tactical combat aircraft to replace the Jaguar in the UK and French air forces, and the Phantom in the Luftwaffe, for several months, after receiving an instruction from the three governments last year.

The governments have tentatively agreed that such an aeroplane will be necessary in the late 1980s and early 1990s. They are anxious to establish a Europea nprogramme, rather than buy a U.S. combat aircraft.

Problems have occurred in matching the requirements of the three air forces and meeting the differing time-scales for replacing aircraft.

But the companies are confident that they have been able to define a common design that meets the air forces' needs. It is also expected to meet NATO's requirements for greater standardisation of major items of equipment.

Each country had its own ideas of what it needed. The UK thought in terms of Air Staff Target AST-403, the West Germans pressing for the TKF-90 and the French for a development of the Mirage 2000.

Something of all three concepts is understood to be embodied in the initial design.

If the companies complete their agreement this summer, the governments could take a decision to go ahead early next year, after reviewing costs and work-sharing arrangements.

This would enable a prototype to fly about 1984, and deliveries of production aircraft about 1988-89.

Clothing industry's labour problems 'largely self-inflicted'

BY RHYS DAVID, TEXTILE CORRESPONDENT

CLOTHING companies are making a very poor job of recruiting, training, and retaining staff, and have largely themselves to blame for widespread labour supply problems, says a highly critical report from the Clothing Economic Development Committee.

The report follows a survey last year of employment practices in 20 companies of varying size in four traditional clothing industry centres—East London, Glasgow, Manchester and the West Country.

The survey finds evidence of a generally unsophisticated approach to recruitment despite high turnover and sometimes severe problems in attracting skilled workers such as machinists.

The evidence from employees tended to suggest much recruitment was done by word of mouth, or similar local soundings. These approaches no longer suffice, the survey says. It urges companies to sell themselves much more effectively by a more systematic approach to recruitment and advertising.

The industry—which in the past has recruited as much as 25 per cent of all female school-leavers entering manufacturing—is also told to make better use of contacts with schools and the careers service, and to step up the use of recruitment literature.

The survey also finds that most companies tend to select staff on the basis of interview only, with few firms using formal assessment methods. Training too tended to be on an ad hoc basis, mostly on the job, with too little emphasis on long-term skill requirements.

Little evidence appears to have been found of the use of progressive payment methods. Pay systems were not always well understood by employees, and in companies which had experimented with profit-sharing or bonus schemes there was little understanding of the financial benefits or incentive effects involved.

"Few of the companies in the sample offered either existing or prospective employees a range of fringe benefits in addition to basic pay. Most employees at operative level were not eligible for any company sick-pay or pension scheme as distinct from the state schemes," the report notes.

It found, however, that companies in the West of England had the best record on pay and conditions and that this was reflected in fewer recruitment problems.

The report urges much greater use of the services of the Clothing and Allied Products Industry Training Board.

The survey is one of a number of documents produced recently with the aim of improving performance in clothing, one of the areas where Britain still has high hopes of making a significant impact in EEC markets.

Another reports on better use of technology, based on work carried out in ten companies, will be published later this month by the Garment Technology Group, a joint body representing various research associations in the clothing field.

How rogue ships escape international maritime law

NEXT MONTH an international convention, ratified by about 40 maritime nations, will come into force with the aim of making the sea and the world's coastlines safer and cleaner places.

The Safety of Life at Sea Convention has taken six years to become international law. From May 25 SOLAS 74 will cover a wide range of maritime hazards, dealing with ship stability, fire protection, life saving appliances, safety of navigation, carriage of dangerous goods and nuclear-powered merchant ships.

The effectiveness of the convention will depend, however, upon the efficiency and zeal with which it is enforced by the governments of the ratifying nations.

Where the regulations relate to construction of new ships they should be introduced with little difficulty since insurance and ship classification societies throughout the world will be able to enforce the standards on the shipowners and the builders.

But in the field of life saving appliances and safety of navigation, which includes the possession by ships' masters of up-to-date charts, enforcement will be much more difficult. The onus will be on the government whose flag is flown bya offending ship to set the penalty involved for infringement and to apply it.

Possession of the latest available charts, particularly where they apply to congested international waterways such as thethe English Channel, is very much a case in point. From next month it will become an offence not to carry such charts.

The importance of this provision is shown by the fact that in many cases where collisons in the Channel have been investigated the charts held by the ships involved have been found to be out-of-date.

After the Amoca Cadiz disaster in 1978, when the supertanker ran aground and there was a huge oil spill off the coast of Britanny, the French Government insisted that the Channel's traffic separation safety lanes should be moved further away from the French cost and new lanes were agreed with Britain.

James McDonald on the difficulties of enforcing some of the provisions of the Safety of Lie at Sea Convention, about to become law.

These re-sited lanes came into operation at the beginning of 1979 and revised Admiralty charts were issued in March last year.

But in a check on vessels using the Channel last August, the British and French Governments found that 20 per cent of ships were not carrying the revised charts. The proportion was much higher for shipping under tax-free "flags of convenience."

It is not known what charts were being carried by the Greek ship Aeolian Sky, which sank in the Channel last November with drums of poison in her cargo after a collision with a West German vessel.

But the Nautical Institute, in an article in its latest issue of "Seaways," points out that if she was using out-of-date charts she would have been in what was then the correct traffic separation lane, travelling west. On the new charts, however, she was on a collision course with ships using the rerouted east-going lane.

"One is forced to consider the possibility that the ship's personnel were unaware of Noticesa to Mariners issued in September, October and December, 1978, and that the mid-Channel routeing was amended at 0.00 hours, January 1, 1979, and that they did not have on board the latest edition of, in particular, Admiralty chart 2675 (March, 1979, edition)," says the article.

In Britain, a highly-organised maritime nation, the task of enforcing ownership of charts will fall to the Department of Trade. But its staff of surveyors is not large enough to inspect every ship passing through UK ports.

When a surveyor finds a foreign-flag ship without the propert charts he has the power to prevent the vessel from sailing until she is properly equipped, but it is more likely that he will report the vessel to the government of the country whose flag she flies. Individual governments will set and apply the penalties, and some nations may not have the relevant enforcing departments.

Another problem facing the British and French Governments in the Channel is that, while they have authority over ships of any flag inside their territorial waters, "rogue" vessels outside the limits but sailing against the traffic in one of the separation lanes, are outside their jurisdiction.

All they can do it to try to identify the offending ships and notify the governments under whose flags they are sailing. Here again, the severity of the punishment—if any—may turn out to vary widely from one country to another and, of course, many "flag of convenience" ships never visit the ports of their "foster-mother" states.

In the Channel, up to 400 ships a day pass through the Dover Straits during the peak summer months, and there are up to 200 crossings. The use of correct charts showing the traffic lanes is essential, but the powers of the states likely to be most affected by a disaster, France and Britain, are limited.

A Department of Trade spokesman said yesterday that penalties for not carrying up-to-date charts already apply to British ships under existing regulations. The maximum fine on summary conviction is £1,000. No British vessel has yet been charged under this five-year-old ruling.

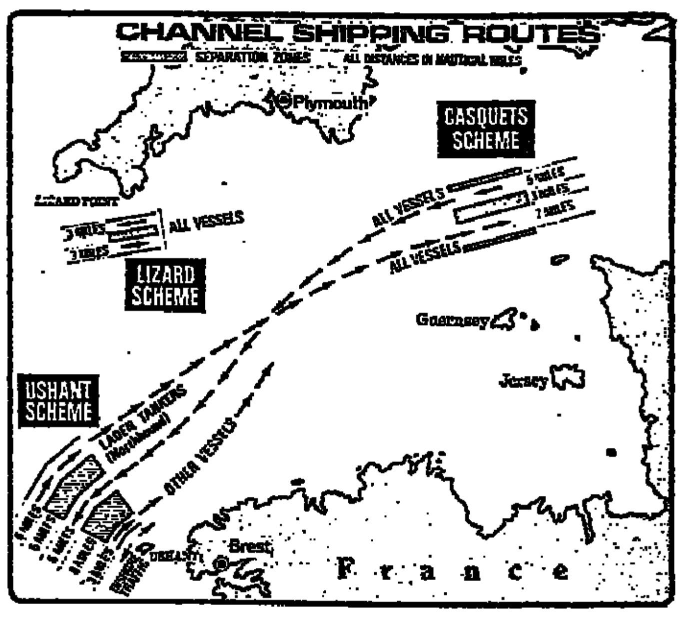
The Department, stressing the limited number of surveyors, said that under the convention a surveyor was only likely to go on board a foreign-flag ship if he suspected the vessel was in extremely unseaworthy condition.

He would then inspect the life-saving equipment and, as a matter of course, demand to see the charts. Only in cases where he believed the ship was in grave danger of sinking if she left her berth would he stop her from sailing.

Otherwise he would report the infringements to the flag-state for action to be taken.

The Department pointed out that penalties for infringements of existing international maritime law differ widely according to the flag-state.

The master of a ship under a Singapore flag recently lost his certificate for an offence, but the captain of a vessel under another flag received only a rebuke for a similar offence.



The present traffic separation safety zones and lanes in part of the Channel, which have been in force since the start of last year.

Rig survival training plan

NORTH SEA survival experts are planning an international training association to standardise training procedures.

Experts from six countries met in Aberdeen yesterday for the start of a two-day conference given fresh urgency by the loss of 123 men in the loss of the Ekofisk Field accommodation rig Alexander Kielland.

Yesterday, Mr. Joe Cross, the conference organiser and principal instructor at Robert Gordon's Institute of Technology Offshore Survival Centre in Aberdeen said: "We hope to exchange ideas and instructors, standardise the training and act as an advisory body. The problems we all face are the same."

Mr. Alex Fletcher, Scottish Office Minister for Industry and Education, told the conference that the rig disaster had brought home to everybody the cost of North Sea oil in mens lives.

He praised the conference as a possible forerunner of other international safety meetings

He added: "The North Sea has been the most difficult so far but in the future we may find oil in even more hazardous areas, and it is our duty to see that wer are prepared."

Hive off safety checks call

BY MAURICE SAMUELSON

OFFICIAL TESTING of British-made electrical equipment may soon be carried out by a private company to supplement the works of the Government's own safety approval service.

This is the recommendation of an interim report on the work of the Government-run British Approvals Service for Electrical Equipment in Flammable Atmospheres. It follows protracted complaints by British manufacturers that long delays in acquiring the Service's seal of approval were hampering sales at home and abroad.

Mr. Patrick Mayhew, Home Office Under-Secretary of State, is understood to have accepted in principle the suggestion that some certification could be carried out by the Electrical Research Association, a private concern based at Leatherhead, Surrey.

The association should be given a three-year contract by the Government's Health and Safety Executive, which administers BASEEFA, according to the proposal.

The chairman of the report which urges the new arrangement is Mr. Denys Johnson, a former president of the British Electrical and Allied Manufacturers' Association.

He said yesterday that bringing private enterprise into a Government procedure could prove "tricky" and would need pressure.

However, Mr. Max Adams, the Service's deputy director, believes that the backlog of applications could be shortened by the current expansion of his service's personnel from 25 to about 45 by August.

Hospital waiting eased

BY ROBIN PAULEY

NATIONAL HEALTH SERVICE hospital waiting lists in England and ales have fallen by 50,000 during the last six months but the figure is still 700,000.

Dr. Gerard Vaughan, Health Minister, said yesterday that the figures were "excellent news." It was the largest fall for five years.

The Conservatives pledged that they could make significant inroads into the waiting lists when they took office. The latest fall is less than 7 per cent.

The main reason for the longer waiting lists over the past few years has been industrial action in the Health Service.

Last year, Mr. Anthony Grabham, chairman of the council of the British Medical Association, said that the slow, steady failure of the NHS and the industrial action within it was leading Britain towards hospital waiting lists of 1m and more.

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PENSIONS ACCOUNTANT

c. £9,000

Excellent opportunity for a young qualified Accountant with a knowledge of pensions or investment exposure to join a Head Office team based in the West End of this Multi-National manufacturing company.

For further details contact: Miles Richards on 01-828 8055 Accountancy Division

Abford House 15 Wilton Road SW1

828 8055

ACCOUNTANT

c. £13:000

An expanding small-to-medium-sized company, very soundly based with substantial funds, offers an opportunity for advancement to the Board. The successful applicant, qualified (27-40) will be able to control the whole financial aspect of the company, including preparation of budgets, cost accounting; trial balance and final accounts etc. Commercial experience essential as well as the ability to supervise and hire staff. The position carries an excellent salary, an annual bonus, various valuable fringe benefits and is pensionable. A company car is provided.

Send CV in strict confidence to Box A7111, Financial Times, 10, Cannon Street, EC4P 4BY.

FX DEALING

OPPORTUNITY IN FORWARD D-MARKS

Leading merchant bank wish to strengthen their comprehensive trading room by appointing an experienced senior FX Dealer to concentrate on a dollar D-Mark book and build a reputation in the London market. Excellent conditions include car.

Replies to Box A.7105, Financial Times, 10, Cannon Street, EC4P 4BY

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

YOUNG BANKERS – INTERNATIONAL AUDIT — **£9-11,000**

A prime North American bank seeks top-flight international bankers, aged between 23 and 30 to move into a high travel audit role – Auditors will be involved in complete operational reviews of UK and overseas branches, and should be able to express themselves clearly and concisely in both verbal and written form. Career prospects are normally geared towards a move into management in 2-3 years. Excellent benefits. *Please contact KEVIN BYRNE*

BOND ADVISER — **to £12,000**

Our client, an international investment bank, has an opening for a Bond Adviser within a small, highly professional department which manages substantial investment portfolios. We should like to hear from well-educated, ambitious candidates, aged in their late 20's, who have a minimum of two years experience in Euro, Yankee or Yen bonds, in an advisory, sales or trading capacity. *Please contact KEN ANDERSON*

LOAN OFFICER — **£12-15,000**

Our client, an international consortium bank, urgently seek a person with strong credit analysis, syndications and marketing experience, to assist in the maintenance and development of their corporate lending portfolio. Salary is negotiable according to experience. *Please contact BRIAN GOOCH*

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Group Management Accountant

North London-£12,500+car

A major international manufacturer of brand name consumer products, wishes to appoint a Group Management Accountant at its headquarters in North London.

The person filling the position will head up a team of four professional accountants and be responsible to the Group Financial Controller for such functions as budget preparation; capital expenditure appraisal and control; formulation of accounting policies; monitoring operating trends; providing a management accounting service throughout the Group; assisting with company analysis and review; and Ad Hoc projects.

It is a highly responsible appointment calling for a qualified accountant, aged 35+, with sound broadly based management accounting experience at senior level, including line experience in a manufacturing industry, coupled with a good knowledge of computerised systems. An ability to communicate effectively at senior management level is essential, together with a capacity to work under pressure in the achievement of objectives.

Salary will be £12,500 per annum with an attractive range of benefits including assistance with relocation and a company car.

Write with details of experience to Position Number AMG 7707, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

Austin Knight Advertising AK

Financial Controller

Retailing • c.£14,000+Car

Based in an attractive part of the South Midlands, our client is a subsidiary of a well known public group. The company, employing around 250 with a chain of retail outlets selling high quality merchandise, is seeking a commercially orientated accountant to head up a small *section making full use of computerised* systems.

Reporting to the M.D., the person appointed would be an important member of the senior management team with the objective of improving profitability through tighter financial control linked closely with future marketing strategy.

Aged 32 to 45, candidates, male or female, must be qualified accountants with at least five years management experience in a f.m.c.g. environment, ideally retail. They should be thoroughly versed in the preparation and interpretation of multi-site management accounts, costing, stock and budgetary control and computerised systems.

The ideal candidate will have a proven track record in financial control with good all-round business acumen. First years salary includes profit related bonus, a car is provided and assistance will be given with relocation costs.

B9679/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

6 Highfield Road, Edgbaston, Birmingham B15 3DJ Telephone: 021-454-5791 Telex: 337239

PA

A member of PA International

REUTERS REUTERS REUTERS

Market Manager

Commodities

Reuters supplies a range of news, information, and dealing services to the business community including the commodity, broking, banking and shipping markets through one of the world's largest computerised communications networks.

We have a management opening in the marketing department for a Market Manager, age under 40, with international contacts and an in-depth knowledge of the commodities futures and physicals markets.

The manager will be responsible for the continuing success of the commodities real-time information and news services and for identifying new market needs, progressing ideas from feasibility to launch and providing product training and market support to our international sales force.

We offer an exciting international career with opportunities for further promotion in an exceptional growth business. An excellent salary is offered plus company car.

For an informal discussion telephone Jack Wigan on 01-353 6060 or write to:–

Recruitment Manager
REUTERS
85 Fleet Street London EC4
This position is open to men and women.

REUTERS REUTERS REUTERS

CSL

Jeddah **c.£20,000 tax free + benefits**

ACCOUNTING MANAGER

A major Saudi owned trading company is diversifying into frozen foods, to be marketed through retail and trade outlets and franchised restaurants.

Reporting to the General Manager and assisted by a small staff, the Accounting Manager's task will be to establish accounting, budgeting and management information systems for the new operation. Data processing and other support services will be available from the parent company as required.

The need is for a qualified accountant with extensive experience of systems development, and with the will to succeed as part of a management team in a growth environment.

Salary will be at the approximate Rials equivalent of £20,000 including a discretionary *bonus. Benefits include* a car, furnished, air-conditioned accommodation, education allowance and thirty days' home leave per year.

Résumés, including a daytime telephone number to E. H. Simpson, Executive Selection Division, Ref. SF649.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

FINANCIAL MANAGER

AGE 27-35

Up to £15,000, City of London

An established company trading in a specialised commodity has created this new post to foster its continued growth.

The person appointed will be responsible for the financial management of the company, which includes the production of management accounts and cash flow analyses. They will be familiar with the use of minicomputers in accounting.

Reporting to the Managing Director, the successful applicant will be expected to participate in the decision-making process. There may be some overseas travel.

Applications are invited from qualified accountants with at least three years post qualification experience in the profession or commerce, and the ability to benefit from the prospects associated with this growing company.

Please send comprehensive career details, with salary history and quoting ref. no. 1040/FT, to:—M. D. C. Campbell,

Touche Ross & Co. Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR

Financial Systems Manager

London/Leeds — *circa. £14,000 plus bonus scheme, plus car*

Our client, a major U.K. multiple retailer, has created this new appointment with the objective of re-aligning their existing computer based systems to meet the future needs of an aggressively expanding business.

The appointed candidate will initially assess financial control and information systems across the group, making subsequent recommendations for systems specification, cost effective data capture, forecasting and modelling applications.

Candidates around 30 years should be qualified accountants whose career experience will include responsibility for the financial management of a significant profit centre in addition to a period in the development of financial systems in a large well organised consumer orientated business.

Further personal development prospects within the group will be excellent. Large company fringe benefits include contributory pension, BUPA., profit related bonus scheme and relocation where appropriate. For further information please telephone D. S. Thomson or write in confidence quoting reference B.117.

Morgan Thomson Associates
Executive Search & Selection

4th Floor Suite, Manchester House, 86 Princess Street, Manchester M1 6NG. Tel: 061-228 3749.

Open to applicants of either sex.

Tax Representative

A company which finds and develops natural resources, transforming them into fuel and chemicals, and operating world-wide wishes to recruit a tax specialist for its United Kingdom headquarters in London. This is a new appointment.

Responsibility will be to a director for the preparation of tax returns and the settlement of taxation liabilities in the United Kingdom. In addition the job includes research into the effects of current and likely future legislation on the commercial plans of the company.

The ideal candidate is a chartered accountant, male or female, skilled in articulate presentation, whose experience includes at least two years in corporate tax in the profession, in the Inland Revenue or in a multi-national company.

Salary negotiable around £13,000; the benefits are impressive.

Please write in confidence for a job description and application form to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, *London* SE1 9SY, *quoting* MCS/3828.

Price Waterhouse Associates

FIELDING NEWSON-SMITH & CO.

CORPORATE FINANCE

The expanding department is seeking a senior executive experienced in all aspects of corporate finance. The successful applicant will probably be aged under 35 and hold a professional qualification in Law, Accountancy or Secretaryship.

The position carries excellent career prospects. Remuneration, which will be based on qualifications and experience, will consist of salary plus a share of profits.

Applications, which will be treated in the strictest confidence, should be sent with a curriculum vitae to:

The Managing Partner
FIELDING, NEWSON-SMITH & CO.
31 Gresham Street, London EC2V 7DX

MONEY BROKING

We have clients who urgently seek experienced Local Authority, Senior Interbank and Commercial Brokers. Also our clients ssaek $ CD Brokers and FX Brokers in London and Overseas.

LESSOR MANAGER

Leasing Company require experienced person with good knowledge of Tax Leasing. Applicant should be 30-45, presentable, numerate and self-motivated. Salary is negotiable.

Please contact:

Mike Pope, 01-236 0731
MIKE POPE
MONEY MANAGEMENT APPOINTMENTS
30, Queen Street, EC4

FOREIGN EXCHANGE OPERATIONS

Aged 25-30

Expansion of our business has provided an opportunity for an enterprising Foreign Exchange person with 3-5 years experience in foreign exchange operations. Practical knowledge of Forex instructions, nostro reconciliations and Bank of England returns is essential.

This is a career opportunity in an expanding operation for the right person.

A competitive salary will be offered, together with normal banking fringe benefits, including house mortgage subsidy, BUPA, Pension and Life Assurance and flexible working hours.

Please write with details of your experience and career to date, to:-

J. A. Newman, Regional Personnel Manager,
The Royal Trust Company of Canada,
Royal Trust House, 48-50 Cannon Street,
London EC4N 6LD. Tel: 01-236 6044 extn. 150.

The Royal Trust Company of Canada

Bayer UK Limited is part of the International Bayer Group marketing a wide range of products in the industrial, medical, agricultural and consumer fields.

Qualified Accountant

We need a qualified Accountant for our Management & Financial Services Division in Richmond, Surrey.

This is an excellent opportunity to establish a career in an expanding Company and to make a real contribution to the Division's effectiveness.

Reporting to the Divisional Director you will be involved with others in the preparation and monitoring of monthly Management reports and the annual budget. There will also be involvement in the development of new systems, which are invariably computer orientated, to meet the growing demands of the business.

The salary is negotiable and there are excellent Company benefits including Pension Scheme and Private Medical Insurance.

Please write or telephone for an application form to:

Personnel Department,
Bayer UK Limited,
Bayer House,
Richmond,
Surrey TW9 1SJ.
Tel: 01-940 6077

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R80/9

M.W. Marshall & Company Limited

have several vacancies for experienced Foreign Exchange dealers. Excellent salary and conditions of employment are offered to suitable applicants.

Applications in writing or by telephone will be treated in confidence and should be addressed to:–

Staff Director,
M. W. Marshall and Company Limited,
52 Cannon Street, London EC4N 6LU.
01-236 0233

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A Member of the Mercantile House Group.

Precision Engineering **West Country**

Senior Manufacturing Executive

To take charge of an existing production operation and to spearhead development into new fields. This is a very senior appointment and will appeal to broadly skilled Production Managers presently running a significant operation, aged 32-48, with appropriate qualifications.

Remuneration will match the requirements of this challenging assignment.

Reply in the first place giving full details of experience to H. F. Thuillier, Parrish Rogers Recruitment, 76/78 Charlotte Street, London, W1. List the names of any companies to whom details should not be forwarded.

PARRISH ROGERS RECRUITMENT

Seeking new employment? Threatened with redundancy?

We can help! Modern management techniques and marketing methods are part of our unrivalled job-searching system which will enable you to secure top executive, professional, technical and managerial appointments at home and overseas.

We will manage your job search skilfully, discreetly and efficiently. Our access to unadvertised vacancies and close knowledge of the employment market will help you obtain positive results quickly and at a minimum cost.

Call for a confidential meeting without obligation today—your future success may lie in our hands.

Connaught Executive Management Services Ltd., 11 Connaught Place, LONDON W2 2ET 01-258 0077

ACA

UK and International Business Audit

London Based – 1st Class Travel to £12,500 + Fully Expensed Car

The Company –
A multinational US food group ranking high in the Fortune 500 list.

The Job –
Undertaking business checks, operational reviews and one-off assignments on all aspects of the groups activities—Travelling perhaps 50% of the time and 30% outside the UK—Working closely with local management, the California based Director and other members of the team worldwide.

The Candidate –
Aged 25 – 27, currently with one of the "big eight" firms, keen to move from pure professional auditing to a highly independent commercial role, and with some language ability.

Please reply in confidence, quoting Ref. U8 64/FT, giving concise personal, career and salary details to R.G. Billen – Executive Selection.

AMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

UNIQUE OPPORTUNITY IN CREDIT/FINANCIAL ANALYSIS

Saudi International Bank is seeking a highly qualified individual to join a multinational team of banking executives in a young and fast growing bank in London.

THE JOB

The analyst will:—

— evaluate international lending and credit proposals and participate in making decisions
— review existing credits of an unusual or complex nature
— travel internationally to meet with customer management and visit projects

REQUIREMENTS

Candidates will ideally have:—

— a good university degree
— training and practical experience in credit, investment or financial analysis
— experience across a variety of industries in both industrialised and developing countries
— familiarity with the structure of loan agreements and financial covenants

Please write to:—

Richard C. Robinson, Assistant Manager
Financial Analysis Department
Saudi International Bank
99 Bishopsgate, London EC2M 3TB
Telephone: 01-638 2323

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

Group Taxation Manager

Salary c £15,000 **Central London**

Tate & Lyle, which has substantial operations in the UK and overseas, is seeking to fill the position of Group Taxation Manager made vacant by internal promotion.

The successful candidate will head a small Tax Department and be responsible for the Group's worldwide tax planning, advising on the tax implications of commercial decisions and supervising the submission of tax returns for UK companies.

Candidates, preferably late 30's/early 40's, should be qualified accountants with international experience gained in industry or commerce. An ability to anticipate tax problems and communicate effectively at all levels is essential.

Remuneration package and benefits are those normal for a leading international company and include a company car.

Interested men or women should write, enclosing a full c.v. to
Mrs. J. Matthias, Tate & Lyle Limited, Sugar Quay, Lower Thames Street, London EC3R 6DQ.

Tate & Lyle

Euro-Loans Executive Syndication and Documentation

Salary negotiable **Latin America**

For an international merchant bank with steadily growing world wide interests. This position carries Assistant Manager status with prospects to managerial status in the short term. Candidates, aged over 30, must have the in-depth experience of euro-loan syndication and documentation to assist in developing international lending operations. Experience in floating rate note operations pertaining to investment banking is highly advantageous. Knowledge of Spanish is useful but not mandatory. An attractive tax free remuneration package is negotiable in accordance with the best international practice.

Applications in confidence to Gerald Brown (Ref. 6497).

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

Appointments Advertising is continued today on the following page

APPOINTMENTS

Sir William Pile joins Nationwide

NEWAGE ENGINEERS, a member of the Charterhouse Group, has discontinued its divisional structure and there will now be a holding company with three separte operating concerns. The Board of Newage Engineers (Holdings) consists of Mr. G. C. Rowett, chairman; Mr. J. A. Whitamore, managing director; Mr. E. J. Haigh, Mr. A. K. Bose, Mr. J. A. Downes, Mr. D. K. Fisk and Mr. Derek J. Hinks. Mr. Whitamore becomes chairman of the three operating companies and the other directors are: Newage Engineers (formerly the electrical division); Mr. Bose, managing director; Mr. Haigh, deputy chairman; Mr. E. S. Holmes, Mr. R. Small, Mr. D. B. David and Mr. B. D. Farnell, Newage Marine Propulsion (formerly the marine propulsion division): Mr. W. T. Bellew, managing director; Mr. Hinks, deputy chairman; Mr. P. H. Smith, Mr. D. S. Barron, Mr. J. Edwards and Mr. A. Miller.

★

Mr. D. L. Millar has been appointed senior general manager of STANDARD CHARTERED BANK. Mr. Millar was chief manager of the bank's operations in Hong Kong until 1975 when he returned to London as a member of general management. His new responsibilities will include the continuing integration of the bank's Californian acquistion, Union Bank, within the wider operations of the group.

★

Mr. Ron Baldock has been appointed energy conservation co-ordinator of the FORD MOTOR COMPANY. He was previously manager of general services, Dagenham.

★

Mr. Thomas C. Harvey has been appointed a regional director of the Greater London regional Board of LLOYDS BANK, which sits at Berkeley Square under the chairmanship of Lord Lloyd.

★

Mr. Daniel Meinertzhagen, Mr. Patrick Crichton and Mr. Andrew Nichols have been appointed directors of BRIXTON ESTATE. Mr. Meinertzhagen is chairman of Royal Insurance, Mr. Crichton is deputy chairman of Foreign and Colonial Investment Trust, and Mr. Nichols is the financial controller of Brixton Estate.

★

Mr. Gordon Reece, public relations adviser to the Conservative Party, has become part-time public affairs adviser to the SHANDWICK GROUP OF COMPANIES and its associates including Opus Public Relations.

★

Mr. Anthony Luke has been appointed a director of RALLI BROTHERS, a subsidiary of the BOWATER CORPORATION.

★

Mr. C. A. Lomberg has been appointed chairman of CHEADLE PLANT HIRE. He is a director of the parent company, Simon Engineering, and chairman of its process plant contracting group. Mr. P. R. Hill has become a director of Cheadle Plant Hire and continues as company secretary. Mr. J. G. Dalzell has been made finance director of Simon process plant contracting group and joins the Boards of Simon Process Contracting and Cheadle Plant Hire. He was previously finance director of Simon Container Machinery.


Sir William Pile

★

Sir William Pile is to become a director of the NATIONWIDE BUILDING SOCIETY. Sir William retired recently from the chairmanship of the Board of Inland Revenue which he had held since 1976.

★

Mr. G. T. Handley has been appointed a director of DEVITT (D. A. INSURANCE), part of the Devitt Langton and Dawnay Day Group.

★

Mr. Arnold Rosen has been appointed president of the PARTITIONING INDUSTRY ASSOCIATION.

★

Norton Warburg Carter Breed states that following the removal of exchange controls it has become unnecessary to retain an interest in Carter Breed and Warburg (CI) and it has relinquished its shareholding in that concern. Norton Warburg Carter Breed has changed its title to NORTON WARBRG INVESTMENT MANAGEMENT. Mr. R. J. Stanes has resigned as chairman and managing director and Mr. C. S. Carter has resigned from the Board. Mr. A. O. Warburg is now chairman and Mr. J. P. R. Snowden and Mr. R. J. F. Agg-Manning have become joint managing directors.

★

Mr. Malcolm Bell has been appointed general manager and a director of SAINSBURY-GB (HOME IMPROVEMENTS). He was previously managing director of Caters.

★

Mr. Neil Maidman has been appointed managing director of BRICO ENGINEERING, a member of the Associated Engineering Group, from April 14. Mr. Maidman joins Brico from Don International, where he was production director.

★

Mr. Kenneth Bartley has been appointed chairman of DANIEL GREENAWAY AND SONS and continues as managing director. Sir Derek Greenaway is retiring from the chairmanship, but will remain life president. Two divisional directors appointed are: Mr. Robin C. Chaventré as commercial director, and Mr. Trevor S. Jones, development director.

★

Mr. S. J. Clarke has been appointed deputy chairman of CAMREX (HOLDINGS).

★

Mr. Peter Kaye has relinquished his full-time position of managing director of ALPINE (DOUBLE-GLAZING) COMPANY. He will continue as acting chief executive of that concern until June 30 and will also remain a director of the parent company ALPINE HOLDINGS until October 31. In addition, arrangements have been made for Mr. Kaye to act as a consultant to Alpine Holdings for one year from November 1. This change will enable Mr. Kaye to develop outside interests and, in this respect, he has been appointed a director of Dual-Fuel Systems.

★

Mr. W. H. Conroy has become chairman of the ENGLISH AND NEW YORK TRUST COMPANY in place of Mr. I. M. L. D. Forde, who remains on the Board.

★

Sir Ralph Verney has been appointed chairman of the NATURE CONSERVANCY COUNCIL from May 1 to succeed Professor F. G. T. Holliday.

★

Mr. David S. Winterbottom has been appointed group financial director of EVODE HOLDINGS. Mr. J. E. Linnell, pending his retirement, will remain company secretary, and a director.

★

Mr. Ewann MacPherson has been appointed a director of MURRAY WESTERN INVESTMENT TRUST.

★

Mr. Derrick Willingham is reassuming the position of finance director, STONE-PLATT INDUSTRIES, and Mr. John McGrath now takes over full time responsibility as chairman of the electrical division.

★

Mr. Norman Blacker has been appointed director of finance, BRITISH GAS CORPORATION.

★

Mr. B. R. Pepperall, deputy chairman and managing director of TYNDALL GROUP, has succeeded Mr. A. E. M. Harbottle as chairman. Mr. A. Parker joins the Board.

★

Mr. Jim Parsons, formerly a director of G.K.N. has been appointed chairman of ROBIN MARLAR AND ASSOCIATES.

★

Mr. Geoffrey Hudson has been appointed financial director of HARLAND MACHINE SYSTEMS, Salford, manufacturer of roll-feed, self-adhesive labelling machines. He was previously financial director of Field, Sons and Co., carton division of Reed International.

★

Mr. David W. J. Luckins has been appointed to the Board of COLE POLYMERS. He is development and planning director of R. H. Cole, parent company of the Cole Group.

★

Mr. Francis Spear has been appointed chairman and continues as managing director of J. W. SPEAR AND SONS.

★

Mr. M. R. Adkins has been appointed finance director designate of A. MONK AND CO. Previously he was finance director of Redland Purle.

★

Mr. Ivan Richardson has resigned as a director of SKETCHLEY and of those subsidiaries of which he was a director.

★

The SWISS VOLKSBANK and the BANQUE POPULAIRE SUISSE SA LUXEMBOURG have appointed Mr. Hans Peter Tödtli as assistant representative in the UK.

★

Mr. Alan Edworthy has been appointed marketing director of GIRDLESTONE PUMPS, Suffolk.

★

The Industry Secretary has reappointed Mr. Derek Gladwin and appointed Miss Eileen Cole as part-time members of the POST OFFICE BOARD for three years.

★

Mr. Philip J. Shaw has been appointed sales director of THE FIRTH-DERIHON STAMPINGS.

★

Mr. Brian James has been promoted to managing director of the new Ward White Group company, SHOES FOR LEISURE.

★

Mr. John Breining-Riches has been appointed a director of ARROWCROFT MANAGEMENT.

★

Mr. Jim Maitland has been appointed sales director of warm air specialist JOHNSON AND STARLEY, Northampton.

★

Mr. J. A. Hermon has retired from all executive responsibilities with INITIAL SERVICES but remains on the Board as a non-executive director. His place as group comptroller is now filled by Mr. J. A. Griffiths.

LEGAL NOTICES

PREVENTION OF FRAUD (INVESTMENTS) ACT 1958

NOTICE IS HEREBY GIVEN that ... ...
1. In 1981 Coleman Investments Limited (in members voluntary liquidation) of Tower House, Southampton Street, London WC2E 7HZ, relinquished the Principal's licence issued pursuant to Section 3 of the Act, having ceased to carry on the business of dealing in securities.
2. Coleman Investments Ltd. (in members voluntary liquidation) has made application to the Department of Trade pursuant to Regulation 5 of the Prevention of Fraud (Investments) Deposit Regulation 1944 (S. R. & O 1944 No. 541) for the release of the £974.00 2½% Consols deposited in pursuance of Section 4 of the Act.
3. Any persons having a claim on the funds representing the deposit should send their names and addresses and details of their claim to the Assistant Secretary, Companies Division, Department of Trade, Sanctuary Buildings, Great Smith Street, London, S.W.1, not later than 2nd May, 1980.

J. E. H. DAVIES, Liquidator.

PREVENTION OF FRAUD (INVESTMENT) ACT 1958

NOTICE IS HEREBY GIVEN that
1. The Nikko Securities Co., (Europe) Ltd. of Royex House, Aldermanbury Square, London, E.C.2, has relinquished the Principal's Licence issued pursuant to Section 3 of the Act, by reason of the Company's mebership of United Kingdom Association of Tokyo Stock Exchange.
2. The Nikko Securities Co. (Europe) Ltd. has made application to the Department of Trade pursuant to Regulation 5 of the Prevention of Fraud (Investments) Deposit Regulation 1944 (S R & O 1944 No. 541) for the release of the Five Hundred Pounds deposited in pursuant of Section 4 of the Act.
3. Any persons having a claim on the funds representing the deposit should send their names and addresses and details of their claim to the Assistant Secretary, Companies Division, Department of Trade, Sanctuary Buildings, Great Smith Street, London, S.W.1, not later than 25th April 1980.

COMPANY NOTICES

UNION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON NO. 131
HOLDERS OF SHARE WARRANTS TO BEARER are hereby informed that Dividend No. 126 being a final dividend for the year ended 31st December, 1979 of 43 cents Republic of South Africa currency per share (equivalent to 24.718752p United Kingdom currency per share) will be payable at the Office of the London Secretaries of the Corporation on and after 2nd May, 1980, on surrender of Coupon No. 131.

Listing forms may be obtained and coupons lodged at any of the following places:
In London:
At the London Secretaries Office of the Corporation (8 Basinghall Street, (3rd Floor), London, E.C.2 entrance).
In Paris:
At Lloyds Bank International (France) Limited
or
Banque de l'Indochine et de Suez.
In Switzerland:
At Credit Suisse, Zurich, or Swiss Bank Corporation, Basle, or at any of their branches.

Coupons lodged at the London Secretaries Office must be left four clear business days for examination and may be deposited on or after 23rd April, 1980 between the hours of 11.00 a.m. and 3.00 p.m. (Saturdays excepted).

South African Non-Resident Shareholders' Tax of 15% having been imposed on that proportion of the dividend declared deemed to be payable out of the profits earned in South Africa, the effective rate for this dividend is 14.97%. This tax will be deducted irrespective of the domicile of the person surrendering the coupon.

The gross amount of the dividend to be included in any return for United Kingdom Income Tax purposes is 24.718752p as indicated below:

	per 6.25 cents Share
United Kingdom currency equivalent of Dividend as declared	24.718752p
South African Non-Resident Shareholders' Tax at 14.97%	3.700397p
	21.018355p
United Kingdom Income Tax at 15.03% on the gross amount of the Dividend of 24.718752p	3.715228p
Net amount	17.303127p

Net amount
per pro. UNION CORPORATION (U.K.) LIMITED
London Secretaries.
L. J. Baines

London Secretaries:
Princes House,
95 Gresham Street,
London EC2V 7BS.
10th April, 1980.

NOTE: Under the double tax agreement between the United Kingdom and the Republic of South Africa, South African tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15.03% instead of at the standard rate of 30% represents an allowance of credit at the rate of 14.97% the rate of overseas taxation applicable.

E.B.E.S.
SOCIETES REUNIES D'ENERGIE DU BASSIN DE L'ESCAUT SOCIETE ANONYME
(Incorporated under the laws of the Kingdom of Belgium)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Monday, 28th April 1980 at 11 a.m., at the Registered Office of the Company, 271 Chaussée de Malines, Antwerp, Belgium.

BUSINESS

1. To receive the Reports of the Board of Directors, the "Collège des Commissaires", and the Company Auditor.
2. To approve the Balance Sheet, Profit and Loss Account and the appropriation of Profits, for the year ended 31st December 1979.
3. To give discharge to the Directors and "Commissaires".
4. To elect Directors and "Commissaires".

NOTE—Holders of share warrants entitled and wishing to attend or be represented at the meeting should deposit either their share warrants to bearer or a certificate of their holding issued by their Bankers, at least five business days before the day fixed for the meeting, at Banque Belge Limited, 4 Bishopsgate, London, EC2N 4AD. Thereupon an admission card will be issued.

SWEDISH MATCH AB (SVENSKA TANDSTICKS AKTIEBOLAGET) STOCKHOLM - SWEDEN

The Annual General Meeting of the Company will be held on Friday, April 25, 1980 at 1.30 p.m. at the General Office of Skandinaviska Enskilda Banken (conference hall, ground floor), Sergels Torg 2, Stockholm.

To be entitled to take part in the proceedings of the General Meeting, shareholders must be recorded in the Company's share register by Tuesday, April 15, 1980, at the latest and also give notice to the Board of Directors by Monday, April 21, 1980, 4.00 p.m. at the latest, at the address Swedish Match AB, PO Box 161 00 S-103 22 Stockholm.

THE BOARD OF DIRECTORS.
Stockholm, March 1980.

NOTICE OF MEETING
TIME ASSURANCE SOCIETY
Registered Office
45 Queens Road, Oldham,
Greater Manchester

The Annual General Meeting of the above Society will be held at the Registered Office at 12 noon on Tuesday 29th April 1980.

AGENDA
1. To receive the Report of the Committee of Management and the Accounts for the year ended 31st December 1979.
2. To elect two members to the Committee of Management. (Nominations must be sent in writing to the Registered Office of the Society to be received there at least two days before the date of the Meeting.)
3. To confirm the appointment of the Treasurer.
4. To transact any other business that may be transacted at a General Meeting.

(Signed) D. STOTT,
Secretary.

CITY OF TURIN
U.S. DOLLAR 9% BONDS OF 1991

S. G. WARBURG & CO. LTD., announce that the ninth instalment of Bonds for a nominal value of U.S.$500,000 have been purchased for redemption on 1st May, 1980.

U.S.$5,500,000 nominal will remain outstanding after 1st May, 1980.

The following Bonds drawn for redemption on the dates shown below have not as yet been presented for payment:

1st May, 1972
No. 6968
1st May, 1977
Nos. 376 3535
1st May, 1978
Nos. 162 2780

30, Gresham Street,
London EC2P 2EB.
10th April, 1980.

BANK LEUMI LE-ISRAEL B.M.
(Incorporated in Israel)

TO THE HOLDERS OF ORDINARY STOCK

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Bank will be held at its Registered Office, 24-32 Yehuda Halevy Street, Tel Aviv, on Wednesday, 30th April, 1980, at 10.15 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions as Special Resolutions:

RESOLUTIONS

1. That the Share Capital of the Bank be increased to IL. 10,000,000,000, by the creation of 5,000,000,000 new shares of IL. 1 - each and that such shares shall upon being issued and fully paid, be converted into stock.

2. That a sum of IL. 14,573,283 out of the Share Premium Account and a sum of IL. 865,299,987 out of Earned Surplus be appropriated to a Reserve for the Proposed Distribution of Capitalisation Shares.

3. That the total of IL.879,873,270 thereafter standing to the credit of the said Reserve for the Proposed Distribution of Capitalisation Shares together with the Special Sum (as defined below) be and the same hereby is capitalised and freed for distribution amongst the holders of Special Voting Shares and of Ordinary Stock whose names appear on the Register of Members at the close of business on 4th May 1980 (hereinafter "the Record Date") and that the Directors be and hereby are authorised and directed to appropriate the said sum of IL. 879,873,270 and the Special Sum to the said Holders of Special Voting Shares and Ordinary Stock respectively at the rate of 40 per cent of the Special Voting Shares and of the Ordinary Stock then held by them and to apply the said sum of IL. 879,873,270 and the Special Sum on their behalf in paying up in full Ordinary Shares of IL. 1 each for allotment and distribution as fully paid up to and amongst such members at the rate aforesaid. Fractions of shares being aggregated and sold and the proceeds thereof remitted to the persons entitled thereto. The Special Sum shall be such sum (additional to the said sum of IL. 879,873,270) standing to the credit of the Share Premium Account and Earned Surplus (and so that the appropriation shall be made to the fullest extent possible from Share Premium Account and from Earned Surplus only to the extent that the former account shall prove inadequate) as may be necessary to pay up in full the number of shares to which Holders of Ordinary Stock will be entitled as aforesaid, but whose Ordinary Stock was not taken into account in calculating the said sum of IL 879,873,270 because such Ordinary Stock has or shall have been allotted between 31st December 1979, being the date such calculation was made, and the Record Date, to satisfy the exercise after 31st December 1979 of conversion rights attaching to the Capital Notes of Series 6, 7 and 8, Capital Notes (Options) 1982, Capital Notes (Options) 1985, (Series 4), and subscription rights attaching to the outstanding Warrants and to the Convertible Bonds of Leumi International Investments N.V.

All the shares to be allotted as aforesaid shall entitle their Holders to participate in all dividends declared in respect of 1980 and all subsequent (but not previous) financial periods.

By Order of the Board.
A. SULLAM, Adv.,
Secretary.
8th April, 1980.

BANK LEUMI LE-ISRAEL B.M.
(Incorporated in Israel)

NOTICE TO HOLDERS OF ORDINARY STOCK

NOTICE IS HEREBY GIVEN that the Twenty-ninth ANNUAL GENERAL MEETING of the Company will be held at its Registered Office, 24-32 Yehuda Halevy Street, Tel Aviv, on Wednesday, the 30th day of April, 1980 at 10.30 o'clock in the forenoon, for the purpose of:
1. Receiving and considering the Accounts and Reports of the Directors and Auditors for the year ending 31st December, 1979.
2. Declaring a final dividend for the year 1979.
3. Electing Directors and approving the payment of their fees.
4. Electing Auditors and fixing their remuneration.

A member entitled to attend and vote at such Meeting may appoint a proxy to attend and vote on his behalf. Such proxy need not be a member of the Company.

By Order of the Board.
A. SULLAM, Adv.,
Secretary.
Tel Aviv.
8th April, 1980.

BANK LEUMI-LE-ISRAEL B.M.

ORDINARY STOCK
NOTICE IS HEREBY GIVEN that the Register of Members of the Ordinary Stock will be closed from the 5th to the 11th May, 1980, both days inclusive.

By Order of the Board.
A. SULLAM, Secretary.
24-32 Yehuda Halevy Street,
Tel Aviv,
Israel.

PUBLIC NOTICES

BOURNEMOUTH CORPORATION BILLS
£1,000,000 Bills issued 9th April, 1980, at 16 23-64% to mature 9th July, 1980. Applications £6,500,000. Outstanding £1,000,000.

BUCKINGHAM COUNCIL BILLS
£7.75m 91-day Bills issued 10th April, 1980, mature 10th July, 1980. Applications totalled £46¼m. Minimum accepted price £95.92½. Average rate of discount £16.345%. Total Bills outstanding £23.25m.

CLEVELAND CORPORATION BILLS
£23,000,000 Bills issued 9th April, 1980, at 16 23-64% to mature 9th July, 1980. Applications £115.5m. None outstanding.

DUDLEY CORPORATION
£4.3m Bills issued today due 10.7.80 at 16 11/32%. Total applications £41.7m. Total outstanding £6.4m.

GLOUCESTER COUNTY CORPORATION BILLS
£2,500,000 Bills issued 9th April, 1980, at 16¼% to mature 9th July, 1980. Applications £15,000,000. Outstanding £14,500,000.

SOUTHEND-ON-SEA BOROUGH COUNCIL
£950,000 Bills issued 9.4.80 at 16¾ o mature 9.7.80. T otal applications were 950,000 and these are the only Bills outstanding.

STOKE-ON-TRENT CORPORATION BILLS
£850,000 Bills issued 9th April, 1980, at 16¼% to mature 9th July, 1980. Applications £5,950,000. None outstanding.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● BANKING

Fewer faces behind the counter

ALTHOUGH THE prospect of the friendly bank clerk being replaced by a box of screens, keys and roll printers is still a contentious one, the desire of the banks to increase services without swelling their staff costs is bound to set the pace.

Such devices as the CAT—it stands for customer automated teller—just announced by Datasaab may well make their appearance not only in banks but at shopping centres, airports, railways stations and anywhere else the banks feel business can be conducted.

With all its options in action CAT can deal with withdrawals, deposits, transfers, will produce an account balance, answer inquiries and accept instructions for service transactions. Functions can be provided on a modular basis to suit the needs at a particular location.

The significant point about the CAT however is that it can stand alone without line connections to a central computer, all the transactions being recorded on floppy disc for periodic reading into the mainframe processor. But it can work direct to a central machine if required.

Basis of the customer operational facilities is a keyboard, a 16 character screen and a magnetic stripe card reader. Datasaab claims it has made a breakthrough in terms of the normal security checking arrangements in that these have been incorporated within the terminal itself with the aid of a microprocessor system.

The user keys in his personal identity number having first inserted his card with its magnetic stripe. Complete checking of these then takes place on the basis of intelligence and memory within the terminal, there being no need for comparison with centrally stored information.

Datasaab puts forward a suggestion—somewhat futuristic at the moment—for the use of such terminals in shops. The sales assistant would set up the purchasing transaction through his own point of sale device or electronic cash register. By electrical connection the sum to be paid would appear on the customer's (the bank's) "point of banking" terminal and he can then authorise purchase by pressing a key. From this point a number of transactions might take place.

For example, the device could be on-line to the clearing banks so that money is directly debited from the buyer's bank account.

Alternatively the CAT could be on-line to a credit card company and in this instance would replace the current rather clumsy method of imprinting the credit card on the sales counter and filling in details by hand.

Alternatively, the user might be old fashioned enough to want cash, in which case Datasaab has designed a new note dispenser. Designed basically for use by bank staff or by the public, the device can dispense the exact amount of money needed in a single bundle. Under microprocessor control this unit takes only three seconds to count, check and dispense a bundle of 16 notes of five different denominations. It is fast enough to be operated by two people at the same time.

A high level of security on several levels is provided. The unit employs tamper proof cassettes for loading and dispensing money and these are fully lockable for transportation. If necessary the dispenser can be set into a secure steel cabinet.

The company claims that in the U.S. where automated counter positions are in use in Citibank branches throughout New York state, the time for cashing a cheque has been reduced from 32 to 17 seconds.

However, the stand alone customer automated teller, able to be installed at a moment's notice with no waiting for communications lines, offers interesting prospects for the future of banking, although clearly considerable measure of agreement between the clearing banks and the retail trade will be required.

In addition the whole idea of widespread direct debiting at point of sale has yet to be put to a real public test; after all, in the U.S. the idea has not met with such public acceptance as might have been expected.

Even so, in Sweden a bank purchase card project with Datasaab terminals in shops and petrol stations is being conducted by the Savings Bank Association in Blekinge. There, customers use the card and a personal keyed code with purchase acceptance by the depression of one key. The customer can opt to have his new bank balance printed on the receipt.

And in Finland the company is about to supply 1,500 terminals worth £5.5m to the Finnish Savings Bank for use in some 1,300 branches.

GEOFFREY CHARLISH

● PRINTING

Offset plate develops in water

FOLLOWING ITS introduction in the autumn of last year, 3M has now formally launched the Hydrolith 50 offset plate in the UK.

It is claimed to be the first completely water-developed plate to become commercially available, completely eliminating developer chemicals to give a cleaner working environment free of odours.

The plate structure has three coatings: an anti-scumming treatment called Hydroguard on the aluminium backing, followed by a diazo sensitiser coating which provides high image resolution and interlayer adhesion, and finally a top coat described as "a unique photopolymer system" which assures consistent plate mileage together with the water soluble properties. In non-image areas this coating is not removed until contact is made with a developing pad or machine brushes, even if contact is made with liquids. Thus the plate is protected from humidity problems.

Before development of the plate its surface can be considered hydrophobic—water resistant—but once normal developing action starts the surface becomes hydrophilic, or water retentive and all the unimaged coating is dissolved.

After development the imaged area is exceptionally oil absorbent, thus enabling the printer to obtain a faster roll-up. The same inks, fountains and equipment can be used as for conventional plates.

Hydrolith produces the same visible image on exposure to camera negatives and can be handled in the same yellow light environment as conventional plates.

In addition, since there is no developer, problems concerning its strength and depletion do not arise and there is no unease about disposal of the fluids into drainage systems.

In the initial stages the material will be available only in small offset sizes to cover major presses.

More from 3M House, P.O. Box 1, Bracknell, Berkshire RG12 1JU (0344 26726).

● HANDLING

Flour flows freely

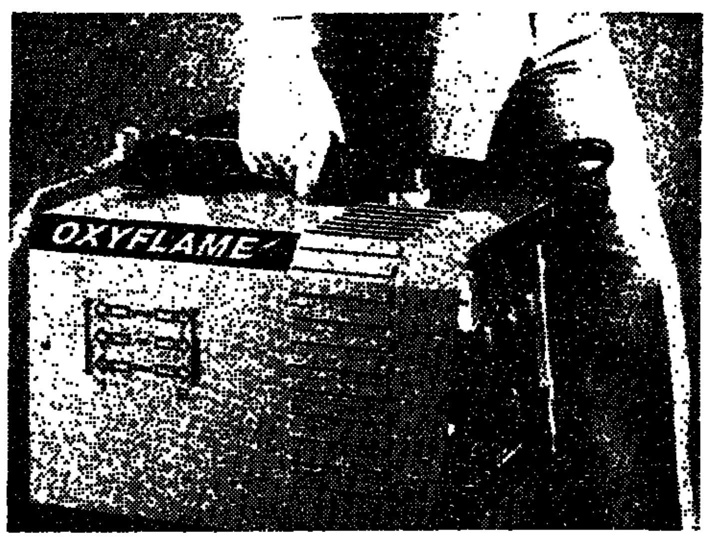
DEVELOPED TO enable the smaller bakeries to store and handle flour fully automatically, is a miniature flour silo system called the ABS which is being marketed by Kerry Handling, Kerry House, High Street, East Grinstead, Sussex (0342 24236).

It can be erected in any convenient area, such as a loft, basement, outbuilding or yard, and is built from standard high grade aluminium or steel segments to a required size, but can be extended as the need arises.

A bulk flour delivery tank discharges by hose and pumps the required amount of flour direct to the silo with an audible signal telling the tanker operator when the silo has reached capacity.

Flour can then be transferred by feeder lines direct to the bakery where it is automatically weighed and discharged directly into the mixing bowl with a measured quantity of pre-chilled water. The company says that even small quantities of flour under 5 kg can be drawn off with an accuracy of plus or minus 200 grams.

Because of their flexibility and ease of installation, the units are said to be ideal for incorporation into main flour plant systems as holding bins feeding various mixers on discharge points within the bakery.



This portable gas welding unit, the Oxyflame, will make its first appearance at the Materials Fastening Joining and Bonding Exhibition at the National Exhibition Centre, Birmingham (June 23-27). It is suitable for most brazing, soldering and light-duty welding operations, weighs less than 18 kg, even when fully charged, and is completely self-contained, not needing conventional compressed gas cylinders. Produced by Sifbronze of Stowmarket, Suffolk, it is said to produce a very stable and controllable flame, with temperatures up to 2,800 degress C. It is fuelled by a mixture of oxygen and propane (or butane) gas. The oxygen is generated in the unit by chemical reaction and the fuel gas comes from a small liquid gas contained which fits inside the unit.

● INSTRUMENTS

Levels set by lines of light

THE ESTABLISHMENT of levels and verticals in the construction of suspended ceilings and false floors, partition walls and so on is made quick and easy using a self-levelling laser alignment device introduced by Spectra-Physics, 17 Brick Knoll Park, St. Albens, Herts AL1 5UF (0727 30131).

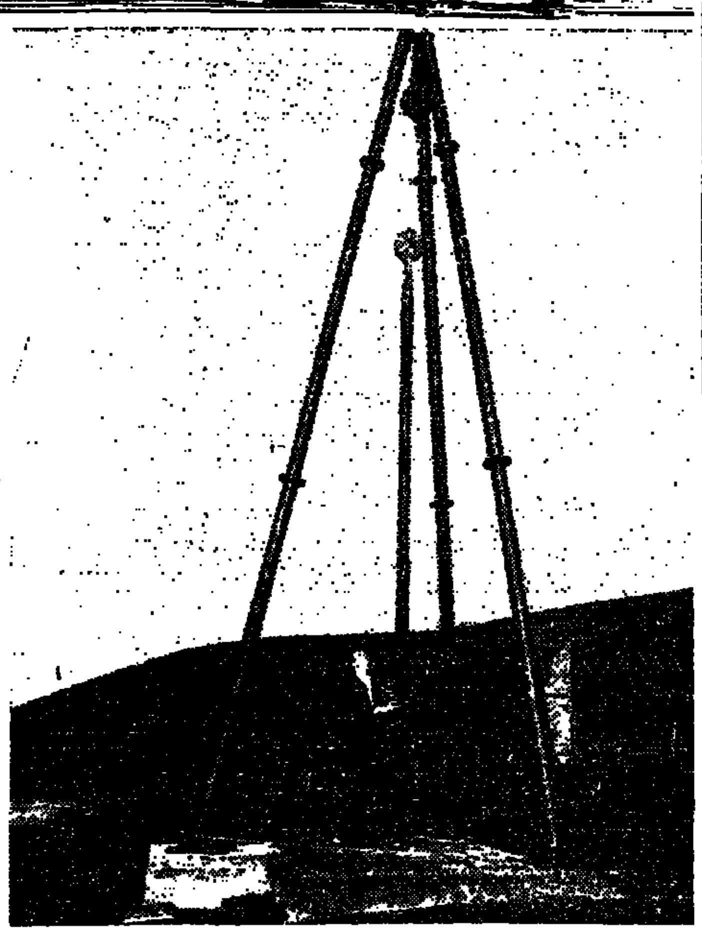
Since this system can be set up and operated by one man quite quickly as opposed to the two people normally required for aligning using conventional dry lines or water levels, the company believes that productivity can be increased by 25 to 50 per cent with ease.

As soon as it is switched on to a 12 volt dc supply the device, called Laserlevel, automatically levels itself very accurately before the beam is activiated; the same mechanism also switches off the beam should the unit be disturbed, subsequently re-levelling itself provided that it is still within its ±4 deg range.

The device is mounted on a tripod, column clamp, wall mount or any stable surface and adjusted to the required height. The laser beam is then projected right across the site allowing levels to be set by any number of installers each working in his own area.

Turned on its side the device also acts as a highly accurate plumb-line for partition wall or other vertical structure installation.

Setting up is very simple once positioned and the beam is accurate to 1.5mm over a span of 30 metres.



This portable set of sheerlegs is capable of lifting up to 5 tons to a height of 21 feet. The sheerlegs which can be dismantled and fitted into a 1-ton single-axle trailer, have been supplied by Anglia Handling Services of Biggleswade, Beds., to Thompson Winches, a division of Sykes Pumps. They will be used for handling pipes and pumps on sites where mobile cranes cannot be easily used.

● DATA PROCESSING

Copes with various work schemes

THE GROWING tendency to integrate clocking-in and flexible working hours recording into personnel and salary administration is epitomised by the latest system from Plantime, Shakespeare Street, Watford, Herts (Watford 44300).

Each employee is provided with a nylon key (not a card) which he inserts and withdraws from a wall-mounted terminal, during which time a liquid crystal display shows him, exclusively, the hours worked so far in the week and the overtime hours accrued. Up to 32 such terminals can deal with 2,000 employees and each can use any terminal.

Each terminal uses a microprocessor; they can communicate with each other and with a central unit and any one can be removed without interrupting the data path.

The system can be preprogrammed to operate eight different weekly or fortnightly working timetables, each timetable consisting of any permutation of eight different types of working day or shift.

In this way shift workers, part-timers, flexible or staggered hours workers, supervisors, security staff all have their own plans stored for use in the system. Thus, the figures seen on the terminal are automatically adjusted for whatever scheme the employee is on.

Loss of communications links does not invalidate data; employees can still use any terminal, 275 transactions being stored until communications are reinstated.

At the central console a one-line display and a printer allows data to be obtained in various ways including details of staff attendance analysed according to department or a working group within that department. Or in the morning, for example, a works manager is able to see the developing workforce situation as clocking-in proceeds.

● METALWORKING

Twists wire without damage

A SEMI-AUTOMATIC electrically operated machine designed to take two wires—either insulated or uninsulated—and twist them together along their length to form a twisted pair (three and four wires may also be twisted together, if necessary) is the Model E.T.I. from Eraser International, Unit M, Portway Industrial Eastate, Andover, Hants. (0264 51437).

There is no risk of damage to the wires being twisted, says the company, as the wire clamps utilised in the machine never touch the wire themselves—they pinch special flexible tubing around the wires to provide a firm grip.

Any length may be twisted, and wires up to sizes of 18 swg may be accommodated.

● SECURITY

Cabins may be moved

PROMISING TO provide privacy, security, and wide-range visibility for production control, supervisory and other staff on the shop floor and elsewhere are the Minicabins introduced by Youngman System Building, SGB Group, 23, Willow Lane, Mitcham, Surrey (01-648 3400).

These can be moved and resited by a user's own forklift truck and range from a 1.9 x 1.9 metre kiosk through five standard sizes to a maximum 3.1 x 3.1 metres.

Other uses are as security kiosks (including check-in stations and search posts for customs and police); toll booths; train, bus and airline booths.

Of sandwich-panel construction, the external finish is plastic coated steel which requires no painting and promises to retain its appearance with just the occasional washdown with water.

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Commercial radio: Cardiff joins a £60m chase

Cardiff Broadcasting, Britain's 20th commercial radio station, is launched tomorrow, an arrival that could not be better timed. Gross advertising revenue for ILR this year should top £60m.

BARRING ACCIDENTS, Britain's newest commercial radio station—Cardiff Broadcasting—goes on air at 6 am tomorrow. It is an ambitious venture, for Cardiff Broadcasting won the franchise largely on the strength of its commitment to community affairs.

Half the Board has been elected by the public. No individual has a controlling interest. None of the directors is paid. It will devote as little as 40 to 50 per cent of its airtime to pop music, leaving the rest free for news and local affairs and what its chief executive, Tony Gorard, calls "a commitment to speech." When it gets fully into its stride, up to two hours a day will be broadcast in Welsh.

Will it work? There seems no reason why not. According to Mr. Gorard, the station has a population of 692,000 to tap. The investment involved is £360,500, and advertising revenues for its first full year of operation could well meet their target of £700,000.

A profile of the ILR network as it currently exists was provided by Keith Reynolds, marketing manager of London's Capital Radio, at a recent conference organised by Admap. Mr. Reynolds was previously senior operating marketing manager at Bowater Scott, where he was responsible for handling £55m worth of branded goods business. He joined Capital last October.

For him, independent local radio represents a "considerable marketing opportunity that no advertiser can afford to dismiss." At present, ILR covers 65 per cent of the U.K. population with 19 stations. Cardiff will be the 20th. And the current phase of expansion will involve Coventry, Peterborough, Dundee/Perth, Gloucester, Bournemouth, Exeter/Torbay, Inverness and Aberdeen.

According to the latest research, ILR reaches 51 per cent of adults (14.3m) weekly. It also reaches 3.1m children for a total weekly audience of 17.4m. Its audience profile shows a slight male bias, a younger age bias where spending power is concerned, and an even ABC1/C2DE class split.

Last year, ILR—benefiting, in part, from the ITV strike—saw gross advertising revenues reach £44.6m, an increase of 49 per cent on the previous year. According to Mr. Reynolds: "On a weighted basis, that represents an estimated 3.1 per cent of all advertising."

He says the split between national and local advertisers has remained remarkably stable. Over the past four years, national advertisers accounted for approximately 60 per cent of ILR net revenues, local advertisers the remaining 40. During what he calls the "forced trial" period last autumn, when ITV was off the air, Capital carried 69 per cent of national advertising to 31 per cent local.

Who uses radio? Looking at Capital's top ten advertisers for 1979, retailers (including national food chains and local jewellers) not only topped the list but accounted for almost a quarter—23.2 per cent—of revenues, a 43 per cent gain on 1978.

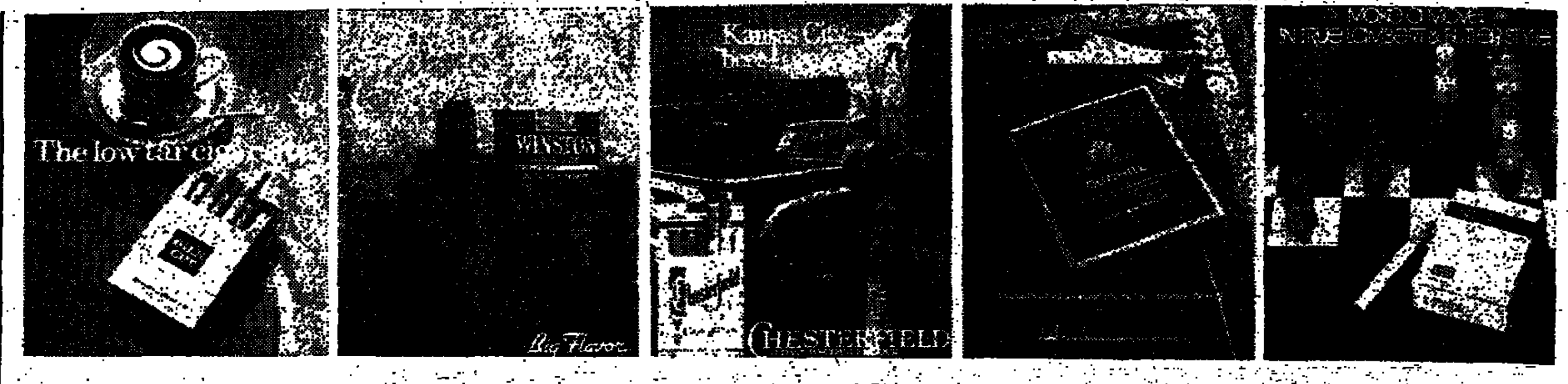
Films and theatres ran second, at 10 per cent, and publishing third at 9.5. Food, which showed an 83 per cent increase, accounted for 8 per cent of revenues at Capital, and holidays and travel, with a 7.5 per cent share, was 75 per cent up.

What does radio offer the advertiser in cost efficiency terms? According to Mr. Reynolds, and taking current rate card costs, the ILR network prime time cost-per-1,000 adults is 66.3p. Housewives cost 134.6p-per-1,000. He says the ILR cost-per-1,000 adults is approximately one-sixth that of TV.

It is Mr. Reynolds' boast that radio offers efficiency, immediacy, selectivity—and great tactical advantages. In truth, a great many agency people are still distrustful of the medium, though the Capital man was able to cite a full range of satisfied customers, from Sir Freddie Laker to the Egg Marketing Authority, Butlins to British Airways Cargo, Tesco to Vogue Interiors, the last of which has used Capital for more than three years and has pencilled in a budget for the current year of £225,000, no mean sum.

Another speaker at the Admap conference was Terry Smith, managing director of Liverpool's Radio City, who said that the current situation at the BBC represented a threat to the whole of broadcasting. Recent developments, he claimed, "provide clear evidence that the BBC is becoming more and more terrified of offending its paymasters. And when the BBC loses its independence, how much chance do you think the so-called commercial services operating under a franchise system will have?"

More cheerfully, he thought the next few years would be exciting ones for the independents. ILR revenues this year would probably reach £60m, perhaps a good deal more. "But it is not going to be easy. There seems to be an absurd idea around that advertising expenditure expands automatically to fill the available media. It doesn't, and it won't."



WHILE THE Department of Health and the tobacco industry strive warily for an advantage in the current drawn-out negotiations over tougher curbs on cigarette advertising, the tobacco companies themselves are spending near-record amounts on above-the-line promotion.

Cigarette advertising in Britain, although banned on TV, is probably now running at more than £40m a year, a sum which infuriates the health lobby.

The most likely explanation is that ahead of final talks with the Department of Health on the scope and scale of the new restrictions, the tobacco companies are determined to push individual brand shares as hard as they can.

According to figures from Media Expenditure Analysis, the amount spent on cigarette advertising in the 12 months to December 31, 1979, was £23.63m. That is a long way short of £40m, but the MEAL total for cigarettes relates only to Press and magazines—MEAL does not monitor poster or cinema advertising, which account for a large slice of the total cigarette spend.

At first sight, the MEAL figure for 1979 indicates a retreat by the tobacco companies, for in 1977, in MEAL terms, they spent £24.26m on cigarette advertising—£630,000 more than last year.

However, in 1977 the market was in turmoil. It was halfway through aligning itself with tax changes demanded by the EEC, so that there was both a severe price contraction between the cheapest and most expensive brands, plus a fast-moving switch to king-size.

Moreover, in the autumn of 1977, the tobacco companies were deep in trouble over the fiasco of tobacco substitutes, which accounted for £3m worth of advertising in July, 1977, alone.

According to MEAL, the four most heavily-advertised brands in Britain last year were Benson & Hedges Special Filter (£2.57m), Benson & Hedges Silk Cut (£2.17m), Lambert & Butler King Size (£1.82m) and State Express 555 Medium Mild (£1.5m).

Following trouble at Procter's, other agencies could be in difficulties

Procter calls in receiver as a 'precaution'

THE COLLAPSE of Gordon Procter and Partners, a middle-rank agency billing more than £10m, has triggered a wave of uncertainty in advertising circles and led to speculation that a handful of agencies are on the brink of liquidation.

On Tuesday, Procter's called in a receiver, Mr. Stephen Adamson of Arthur Young McClelland Morres and Co., as a "wise precaution." Mr. Adamson said yesterday that the agency was continuing to trade normally. There had been no staff layoffs, although the extent of the shortfall at Procter's could not yet be determined.

Its gross debt on the Pedigree Toys account is known to be approximately £250,000, though the agency is negotiating with the receiver at Dunbee-Combex-Marx, the collapsed toys group.

Mr. Adamson has also taken charge of takeo-ver negotiations for Procter's itself. He said he was continuing the merger discussions initiated by the Procter's Board in order to maintain continuity for the benefit of clients.

The scale of the trouble at Procter's has amazed rival agencies. A senior member of the Institute of Practitioners in Advertising said this week: "An agency that size should not be in trouble over £250,000. The root cause of the trouble can almost certainly be traced to the ITV strike last autumn, which caused far more havoc with agency finances than most will admit.

"In my view, we will see at least three or four liquidations as a result of that strike."

Other factor behind Procter's collapse are thought to be slow payment by other clients and high expenditure on office premises.

Last year, reported billings totalled £10.66m. Billings-per-head of staff employed were £104,510—way behind the levels achieved by most of the top 20 agencies and virtually half those achieved by the publicly-quoted Geers Gross, for example.

Procter's troubles have caused unrest among those in advertising seeking to project the industry as efficient, resillient and stable.

Mr. Adamson said yesterday: "I'm trying to make sure that things are under control."

Nonetheless, rival agencies are bound to chase Procter's clients. They include Philips, for whom Procter's currently handles £2.5m-worth of business, Beefeater Gin, Nicholas Laboratories and Saudi Arabian Airlines.

Procter's is the UK's 38th biggest agency.

● HEINZ is redoubling its eorts in the £150m slimming fods market with a £600,000 campaign on behalf of its new Slimway mayonnaise and its relabelled Slimway low-calorie dressing.

● DOYLE DANE BERNBACH has been confirmed as winner of the Central Office of Information's council houses account on behalf of the Department of the Environment. A budget of up to £1m is said to be involved, which could make Doyle Dane the second biggest COI agency after Young & Rubicam.

● BROOKE BOND OXO is launching the second stage of a £1.25m campaign on behalf of its Brazilian instant coffee, currently claiming 6 per cent of a £250m market said by Brooke Bond to be reaching new peak levels.

The advertising barrier

BY WINSTON FLETCHER

IT WOULD HAVE been cheering to have been able to give Stephen King's Advertising as a Barrier to Market Entry a resounding alpha double plus. Unhappily, the best I can offer is a beta minus.

At school we were taught never to criticise something for not having tried to be something else. Nevertheless, it seems a pity that Advertising as a Barrier, the latest in the Advertising Association's series of occasional papers on the way advertising works, contains so little that is new and so much that is obvious.

Take, for example, its opening contention that the low profitability of a market is the biggest barrier" to new product entry. Insofar as nobody has ever suggested that companies launch new products for love, the assertion is irrefutable.

Nor does the tenor of the pamphlet take a dramatic turn for the better when Mr. King moves from those barriers that restrain a company from starting a project at all, to those that impede success after launch. I am reasonably confident of having been told that new brands require the widest possible distribution approximately 30 minutes after joining my first agency as a trainee in 1959.

There is nothing wrong in publishing an A-level essay on new product development, even if it does seem curious for the Advertising Association to include it within a series whose previous offerings were innovative, provocative, or both.

Clearly Advertising as a Barrier was intended as a polemic to refute some of the wilder and dottier accusations of the past few years.

Had it been publised during the lifetime of the last Government, when advertising and marketing were under siege, it might have seemed like a salvo in defence of sanity. Now it seems a little silly.

Mr. King claims that far from being a barrier, advertising, by building reasonable profit margins, makes the idea of entry more attractive to competitors. He even claims never to have heard marketing managers talk of competitors' long-term promotional expenditures as a major obstacle.

That just won't do. Marketing managers invariably study competitors' advertising expenditures when considering new product launches. They talk of the market demanding "a high entry fee." They know they will need to be extra cautiousi n their plans, and will need to justify to their finance directors the risks involved in greatest detail.

That is what competition is about, and there is no point in baulking it. Advertising can be used both to revolutionise or conserve the status quo.

Insofar as advertising persuades us to buy product A it dissaudes us from buying B. If that is not a barrier to product B, what is? Barriers, however, can be leapt over, climbed under, and crashed through.

Winston Fletcher is managing director of Fletcher Shelton Delaney.

What makes the Institute of Sales Management so different from other professional bodies?

ISM is practical and positive in outlook. Run by a full-time board of directors. In legal terms it is what is known as a "proprietory club." Believes competition in business to be healthy, not a deterrent to success. Treats its members as a sales oriented company treats its customers. Knows that if it doesn't offer good, sound value for money and service, they will take their business (their annual subscriptions) elsewhere. Doesn't wait for the world to beat a path to its door—goes out and *finds* the world.

Take this advertisement. Ever see a professional body promote itself like this before? In fact, apart from being highly successful in attracting new members, this advertisement is a small part of ISM's programme to make top management, government and the general public more aware of the critical importance of selling and sales management to the world's continuing economic prosperity. Let's face it—there's no point in making anything if you can't sell it at a profit. If industry and commerce didn't sell—and sell well—just about everyone would be out of a job.

So far, more than 25,000 sales executives have become members of the Institute of Sales Management and have discovered at first hand what ISM's "difference" means to their business life. Here are some of the reasons why *you* should join them:

ISM can find you business

Every month, through the pages of the ISM journal, every member receives a mass of information about newly registered companies, newly launched products, firms building new premises, expanding or winning big contracts, take-overs, overseas firms looking for UK distributors or seeking to represent British manufacturers—essential information for executives intent on keeping ahead of their competitors.

ISM can make you a better salesman

ISM provides you each month pages of practical field-proven selling techniques, and runs some of the best sales training courses in the business.

ISM can make you a better sales manager

Don't ever be fooled into thinking that a top flight salesman will automatically make a top flight sales manager. The two jobs are vastly different, needing vastly different skills. Managing people is perhaps the most difficult job of all to do well—and ISM gives its members a great deal of help in the mastering of the skills required.

ISM can give you sound, practical advice

On how to resolve that dispute on commission. On how to re-motivate a problem salesman. On how to prospect a new territory. On where to find those unobtainable supplies. On how to set up as a manufacturers' agent. On how to halve your quotes-to-order ratio. On how to word that special contract. On how to find a good and honest overseas distributor. On how to implement an incentive scheme. And hundreds of other things.

ISM can help you meet important people

Important to you, that is. People who can help you do more business. People in selling but not in competition with you. People you can meet at ISM Regional meetings, in a friendly but businesslike atmosphere, over a drink or over a dinner. And established captains of industry, too; the speakers at some of these meetings.

ISM can find you a better job

Some of the best jobs in selling and sales management are advertised in the ISM monthly journal.

And more....

ISM offers you a wide selection of other benefits. You would be entitled to use the designatory letters applying to your grade of membership, of course, and these alone could bring you more business, especially if you sell to architects, consulting engineers, education establishments, government and local government departments, hospitals and other markets where these kind of accolades still make an impression.

If you want to study for a formal qualification in Salesmanship, ISM can provide distant learning courses which will help you achieve this objective, either in the U.K. or anywhere else in the world.

On the personal side, the negotiating power of our collective membership gives you private treatment in illness schemes at one third less than normal fees; permanent health insurance schemes; special deals with a gaggle of organisations from credit cards to carpets—and finally there is the lobbying power that the Institute can bring to bear against adverse legislation.

Where you would stand in the ISM Membership structure

Fellow (designatory letters **F. Inst. SM**)
Annual Subscription £30. Awarded to persons who, for a minimum of three years, have been totally responsible for a UK or Export sales operation, and who satisfy all the requirements for the grade of Member.

Member (designatory letters **M. Inst. SM**)
Annual Subscription £24. Awarded to persons who are aged 24 or over, who have been employed in a full-time selling occupation for at least three years and who are sales managers, regional sales managers, sales office managers, sales managers or similar, and are responsible for sales or sales support staff.

Associate (designatory letters **AM. Inst. SM**)
Annual Subscription £20. Awarded to persons who have been employed in a full-time selling, tele-sales or sales support function for a minimum of two years, or who have attended a Structured Training selling course and have one year such experience.

Affiliate (designatory letters **Aff. Inst. SM**)
Annual Subscription £20. Awarded to persons in or about to enter the Selling Profession who do not yet qualify for the more senior grades of membership. Most students taking ISM distant learning courses register as Affiliates or members at a higher grade on commencing their studies.

In addition to the annual subscription, a once-only registration fee is levied on all applications for membership, to cover processing costs and preparation and despatch of the member's diploma of membership. All ISM subscriptions are approved by the Inland Revenue and can be claimed against Income Tax.

The Institute of Sales Management Code of Practice and rules governing membership

To which all members of the Institute of Sales Management are required to conform (reference to male gender automatically implies female gender).

1. Professional Conduct
A member, in the conduct of his activities, shall respect the dignity of the profession. He shall act with integrity and not engage in any activity which tends to corrupt or denigrate the profession.

2. Injury to Others
A member shall not knowingly, recklessly or maliciously injure the professional reputation or practice of another member of this or any other profession.

3. Misleading Information
A member shall at all times act honestly and in such a manner that suppliers or customers are not caused to be misled. In the course of his professional activities he shall not knowingly or recklessly disseminate false or misleading information. It is also a member's responsibility to ensure that his *subordinates conform* to this Code.

4. Responsibility to his Company
A member is expected to strive to attain and apply a high level of competence to the efficient conduct of the work entrusted to him, and to provide a creative contribution to his company's profitability and well-being.

5. Responsibility to Colleagues
A member shall do all he can to promote the infinite benefits that professional selling and sales management can bring his company and do all he can to understand the work of others in the company and the techniques and skills they employ. He should at all times endeavour to work in harmony with his colleagues, recognising the joint endeavour in which they are involved. A member shall also seek to encourage and develop his younger colleagues in the profession so that they may attain and apply their own like levels of professional competence.

6. Responsibility to Customers
A member is expected to act at all times in a manner which recognises that *he is a representative of his company* and thus reflects the company's corporate personality. A member must recognise that customers have similar objectives to those of his own company and that the performance of the customer and the quality of the goods or services purchased will be enhanced and will continue only if the member assists the customers in reaching their objectives.

Caution should be exercised in giving gifts or entertainment at the company's expense, as any kind of obligation, real or implied, should be avoided, the over-riding factor being that a personal relationship with a customer should never interfere with the making of a business decision.

7. Responsibility to his Professional Body
A member is expected to accord his professional body the same degree of integrity which he accords his own company and the profession in general.

8. Disclosure of Confidential Information
A member shall not disclose (except as may be required by law or statute) or make use of information given or obtained in confidence from his company, suppliers, customers or professional body, for personal gain or otherwise, without express prior consent.

9. Declaration of Interest
A member having an influential personal interest in any business which competes with that of his company shall disclose that interest. A member having an influential personal interest in the buying or selling of goods or services as between his company and any other organisation shall disclose that interest to his company *prior to the transaction taking place.*

Enforcement of the Code
The acceptance of this Code of Practice is mandatory on all members of the Institute of Sales Management. It is the duty of all members to assist in the implementation and enforcement of the Code and they will be supported by their professional body for so doing.

Unfair, reckless or malicious use of the Code by members or others to damage the reputation and/or professional practice of a member and/or his company shall be deemed to be a breach of the Code.

The Institute may nominate a person or persons to decide if there is a case of breach of the Code. Sales Augmentation Limited or the ISM Senate will initiate the necessary procedure for investigation if there is a prima facie case.

If any member shall be found to be in breach of this Code of Practice after due investigation then that member shall be expelled from membership.

ISM means business

Application for Membership of ISM

BLOCK LETTERS PLEASE

I .... Forenames .... Surname
hereby apply for membership of the Institute of Sales Management and, if elected, agree to abide by the rules and regulations of the Institute and its code of practice, as they now are and as they may from time to time be amended.
I enclose the registration fee of £15 which I understand will be returned if my application is not accepted and further agree to remit the appropriate first annual subscription by fixed direct debit bankers order on notification of my election.

Signature .... Date ....

Home Address ....

.... Postal Code ....

Nationality .... Date of Birth .... Home Tel. No. ....

Current Employer ....

Address ....

.... Postal Code ....

Your Position .... Date of Appointment ....

Academic Qualifications and Courses attended

Previous career and experience

Your total years as a salesman ☐ as an area manager ☐ as a regional manager ☐ as a national manager ☐
as a director ☐ as an export salesman ☐ as an export manager ☐ as a sales office manager ☐
as a depot/shop manager ☐ *in a sales office* ☐

Send this form, together with your cheque for the Registration Fee of £15, made payable to the Institute of Sales Management, to:-

The Institute of Sales Management

Incorporating the Institution of Sales Engineers

Concorde House, 24 Warwick New Road, Royal Leamington Spa CV32 5JH, Warwickshire, England.

The property and funds of the Institute of Sales Management (whether derived from subscriptions or otherwise) belong to Sales Augmentation Limited, a non-profit making organisation incorporated under the Companies Act 1948 and 1967 and formed solely to administer such professional bodies.
Registered in England No. 898091, registered office as above.

LOMBARD

Reading between the charted lines

BY ANTHONY HARRIS

YESTERDAY I launched a generalised question about the judgment of fund managers, a question raised by one simple fact: they tend to buy at the top of the market, and this tendency has become much more marked with the years. The investment industry offers various explanations; all of them have something in them, but not, I would suggest, enough.

For what the chart illustrates is a simple and rather devastating fact: any fund manager who followed the simple rule of putting a fixed sum into the index every day would have beaten the average. And by miles.

Simple rule

This, I fancy, is enough to dispose of the argument that fund managers cannot help driving the index up and down according to their buying mood. They could in fact avoid it by a simple averaging rule; and what is more, the basic reasoning is wrong. It is simply not true that if the funds did follow an averaging rule, the index would become completely static. Prices would still rise and fall in response to the fundamentals: but if managers did not plunge in on every rise, the swings would have been much smaller. Prices are not set solely by demand.

There is a rather more plausibe argument for the defence, which would shift the blame partly on to the Government, a line of argument which is always persuasive. It is based simply on the fact that not only has the Government's own funding requirement varied wildly from year to year, but the Government success in selling stock varies wildly. So the funds available for equities must vary inversely.

There is something in this, but again a good deal less than meets the eye. The figures show that for the most part fund managers do not job between the gilt-edged market and the equity market. Uninvested funds intended for gilts tend to pile up in interest-bearing overnight and longer bank deposits. Bank accounts could be used in the same way to make it possible to follow an averaging rule in equities despite the vagaries of the gilts market. Anyway, this is not an alibi which the fund managers themselves tend to put forward; I thought it up myself.

In fact it is hardly worth wasting any more paper on the question of whether fund managers tend to get their timing wrong: everyone concerned knows that they do. What is more, many people have a shrewd suspicion of why they do. It arises simply from the fact that the decisions are being made, for the most part, by paid managers reporting to Boards.

Their decisions on timing are largely governed by a law which Professor Parkinson should surely have included in one of his books: *a fund manager is always entitled to be wrong, provided that he can satisfy the Investment Committee that everyone else was wrong, too.* Original mistakes, however, are heavily penalised. A stockbroker once put it more succinctly at a lunch I attended during the Great Slide of 1974. Having failed to persuade any of the fund managers present to buy the index (then about 210) he hammered the table and shouted despairingly: "You are just a lot of sheep." Sheepishly, tehy agreed.

Now it would be quite unfair to blame the men concerned. They are the slaves of the institutional structure they inhabit, just as much as civil servants are — and the laws of fund management have their equivalent in the great underlying law of the civil service, laid down by Cornford, the Doctrine of Unripe Time. All subordinates find independent decisions dangerous.

Deep waters

There is a further saving clause: the Law only ensures that timing will be bad. Share selection may still be excellent. Indeed, one fund manager recently told me that his research shows that in a group he was able to study in detail, the managers with the worst sense of timing (perhaps the most active?) are at the same time the best at selection. These are indeed deep waters.

No explanations, however, can still my basic doubt: are these institutions, and these men, the ones one would pick to make the choices about investing our great, once-for-all accession of national capital? The case rests.

The broadcasts that Belgium could ban

TV ADVERTISING is restricted in several European countries, and almost completely prohibited in Belgium. The prohibition, however, is not very effective. The regions bordering Germany are reached by advertisements broadcast from Germany, and even Belgian TV stations contrive to include advertisements in their own programmes in a veiled form.

No prosecutions are on record and, indeed, successive Belgian governments seem to have had an ambivalent attitude to the problem in that they were reluctant to enforce the prohibition against Belgian TV stations but at the same time found it politically difficult to take it off the statute book.

However, the prosecution of the Coditel cable TV compaines, who fell foul of the law by transmitting German television programmes without cutting the commericals, looked like providing the Belgian Government iwth the chance of getting rid of an inconvenient statute without taking any initiative.

The Belgian criminal court referred the case* to the European Court in Luxembourg, and there was some hope in Brussels that the Luxembourg judges would declare the prohibition of advertisments incompatible with EEC law. However, the European Court did not let the Belgian Government off the hook.

The court held that it was no infringement of the EEC Treaty if a member government prohibited TV advertisements, as long as this was done as a matter of public policy, applying equally to domestic and foreign broadcasts (the latter re-transmitted by cable in Belgium).

It will now be up to the Belgian courts to decide what really is Belgian public policy in view of the contradiction between statute law and the consistent lack of enforcement. One can only guess that Belgian judges will tend to give greater weight to the statute law than to the lack of prosecutions.

The case seemed at first to be a very Belgian affair, but once it reached Luxembourg a great number of new legal issues were raised, some of which are of general importance. One of these was fairly simple to resolve and concerned the difference between the inhabitants of the Belgian border regions, who can pick up German broadcasts, including advertisements, on their aerials and the inhabitants of Brussels, Brabant and Liege, who depend on the cable transmission of signals picked up on the special aerials of Coditel. This resulted in a discrimination between the TV services.

On this point the court followed Mr. Advocate-General Jean-Pierre Warner, who was quick to point out that EEC law is not designed to correct the vagaries of nature: "The provisions of the Treaty forbidding discrimination," said Mr. Warner, "are concerned with discrimination artificially brought about by governments or other persons in positions of power. They are not designed to suppress competitive advantages resulting from geographical location or other natural factors." Needless to say, this does not apply to agriculture, where EEC rules are designed to do exactly that, namley to suppress competitive advantages in-so-far as these could benefit the consumers.

A more difficult point concerned the scope of the Treaty provisions guaranteeing freedom to provide services across national frontiers. Do these provisions aim only at removing discrimination between providers of services on the grounds of nationality or residence or does the Treaty crete in respect of services the same sort of common market as it attempts to create for goods?

Both Mr. Warner and the courts opted for the wider concept of a common market in services, and they applied to it, by analogy, the same exceptions which the Treaty provides from the prohibition of any restrictions on imports and exports of goods. According to this latest ruling by the court it is, therefore, possible for a member government to restrict the freedom of cross-border services on the grounds of public morality, public policy, public safety or security, the protection of health and life, including that of animals or plants, and in order to protect national treasures. Of particular importance is now the possibility of restricting the freedom of services in order to protect patent or trademark rights or copyright.

Once the court had accepted that services should be treated much the same as the circulation of goods is treated under Articles 30 to 36 of the EEC Treaty, it was inevitable that it would conclude that Belgium has an undiminished right to restrict the transmission of TV advertisements on the grounds of public policy.

The European Court did not go very deeply into the apparent contradiction between Belgian policy as expressed in statute law and as practised by successive governments, but Mr Warner said in his opinion that what is a member state's public policy need not be ascertained exclusively by reference to its laws; but this need not worry the European Court—it was a matter to be decided by the national courts.

* * *

Simultaneously with the judgment on TV advertisements, the European Court also handed down a judgment in a parallel case** concerning an alleged infringement of film copyright by Coditel. The proceedings were initiated in a Belgian civil court by Cine Vog Films, a Belgian distributor, who complained that the Coditel companies transmitted by cable a French film to which it held sole distribution rights in Belgium. The defence of the Coditel companies was that they picked up the film from a broadcast of a German TV station which was licensed by the film maker to use it in its programme. Coditel claimed that once the film was put, with the French maker's permission, on the electromagnetic waves in Germany, its "circulation" throughout the EEC could not be stopped by distributors holding copyright licences in the individual countries.

The EEC Commission which supported the Coditel companies on the advertising issue, backed them also in the case of the film rights. For the Commission this was a matter of some considerable importance: the court has already accepted the "exhaustlion of rights doctrine" for patents and trademarks, and the Commission is pressing for its extension to copyright.

The court went along with the Commission in the past when the copyright protected a material object, a gramophone record or a book, for which the copyright owner received payment when this object was placed on the market. Films, however, the court said, were in a different category; here the remuneration of copyright owners depend not on the number of copies but on the number of performances.

The copyright would not be exhausted, therefore, by a performance in the same way as it could be in respect of a copy placed on the market. The doctrine of exhaustion would not apply, and the court held that there would be no infringement of community law if the Belgian copyright owner stopped re-transmibssion of a German broadcast of the protected work, even if the broadcast oroginated from a German TV station which held the copyright for the film in Germany.

**European Court, Luxembourg, Case No. 52/79, Procureur du Roi v Debauve and others. **Case No. 62/79 Coditel v Cine Vog Films. Both judgments of March 18, 1980, unreported.*

BUSINESS AND THE COURTS

By A. H. HERMANN, Legal Correspondent

Lacson to top Cheltenham bill

RACING

BY DOMINIC WIGAN

TOP-CLASS racing is on the cards again at Chelltenham this afternoon, where the £10,000 State Express Golden Miller Chase is top of the bill on a card which also boasts the State Express Young Chaser's Final and the Geoffrey Reeve Hurdle.

Although only ten are due to line up for the Golden Miller Chase this 3¼ mile limited handicap seems sure to be a competitive affairs, with Tied Cottage bidding to concede between 8 lbs and 2 st to opposition which includes Father Delaney and Master Smudge.

Those who ran well under stiff weights in the energy sapping mud at the Festival Meeting have, in the main, proved bitter disappointments in subsequent races and I would not care to take a short price on Tied Cottage.

A better win and place prospect could well be Lacson, a course specialist, who achieved the distinction of winning the Sun Alliance Novices Chase by a distance in his fourth Prestbury Park success.

With Netherton an absentee from the State Express Young Chaser's Final, champion jockey elect, Jonjo O'Neill, finds himself free to partner Fairy King. It seems on the cards that this tough seven-year-old sent down from Jimmy Fitzgerald's Malton stable will give a good account of himself.

The winner of three of his eight races this season, Fairy King put up his best performance to date in Catterick's two-mile Newby Handicap early last month. Always going well he never looked in danger of defeat, after taking up the running approaching the eighth fence.

At the line Fairy King—then ridden by Ridley Lamb—had eight lengths to spare over market rival Ice Plant, with the remainder, headed by Deldi, well strung out.

Anyone wanting a "getting out" bet on the final event, the Second Division of the Chelten ham Juvenile Hurdle will probably be best advised to back the still-improving North Yard.

CHELTENHAM

2.00—Eddie
2.30—Fairy King*
3.05—Fredo
3.40—Lacson**
4.15—Grittar
4.45—North Yard***

TV/Radio

† Indicates Programme in black and white.

BBC 1

6.40-7.55 am Open University (UHF only). 7.55 Closedown. 9.55 Ludwig. 10.00 Jackanory. 10.15 Asterix hte Gaul. 10.35 Why Don't You? 12.45 pm Midday News. 1.00 Pebble Mill at One. 1.45 Mr. Benn and the Big Game Hunter. 2.15 Racing from Cheltenham. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The All New Popeye Show. 4.40 Graham's Gang. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 Evening News.
5.55 Nationwide (London and South-East).
6.20 Nationwide.
6.45 Young Musician of the Year.
7.20 Top of the Pops.
7.55 Lennie and Jerry.
8.30 James Burke: The Real Thing.
9.00 Nine O'Clock News.
9.25 Play: "Not for the Likes of Us." by Gilly Fraser.
10.25 French Fashion for 200 Years.
11.00 News Headlines.
11.02 Question Time with Elisabeth Hodless, Prof. R. V. Jones, Shelagh Roberts and John Silkin, MP.
12.02 am Regional News.

All Regional programmes as BBC1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 6.20-6.45 Heddiw. 11.02-11.47 Rugby Union. 11.47 News and Weather for Wales.

Scotland—12.40-12.45 pm Scottish News. 5.55-6.20 Reporting Scotland. 11.02-11.32 Current Account. News, issues, policies, personalities. 11.32-12.22 Bugs and Daffy and Chuck and Porky. 12.22 am News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.02 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 The Seven Burnhams by the Sea.
7.25 Mid-Evening News.
7.35 Newsweek: Ireland: Republicans and Loyalists.
8.10 In the Making: Faith Shannon.
8.30 Erich Fromm, the psychoanalyst and social philosopher.
9.00 A Question of Guilt: Constance Kent.
9.30 Man Alive: The kids are united: Anna Scher's children's theatre visits Belfast.
10.15 Barbara Fairchild Sings Country.
10.45 Newsnight.
11.30 Work and Leisure: Mrs. Shirley Williams.
11.55 Closedown: "Mushrooms," by Ted Walker.

LONDON

9.30 am Holy Ganges. 9.55 Young Britain. 10.00 Cartoon Time. 10.15 Heritage: An insight into the modern German. 11.05 The Mackenzie Affair. 11.55 The Bubblies. 12.00 Gammon and Spinach. 12.10 pm Rainbow. 12.30 The Sullivans. 1.00 News at One. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 Scorpion Tales. 3.45 Looks Familiar. 4.15 Little House on the Prairie. 5.15 Selwyn.

5.45 News.
6.00 Thames News.
6.20 Help!
6.30 Carry on Again, Doctor, with Kenneth Williams, Sidney James and Charles Hawtrey.
8.00 Armchair Thriller: "The Circe Complex."
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News at Ten.
10.30 Thames Report: "Sold Down the River?"
11.00 Lou Grant.
12.00 What the Papers Say.
12.15 am Close: Personal choice with Evelyn Laye.

All ITN Regions as London except at the following times:—

ANGLIA

9.30 am Hales and Batchelor Cartoon. 9.25 Dynomutt, the Dog Wonder. 10.00 The Beachcombers. 10.25 Spike Milligan presents the Best of British. 11.05 Country Comes West. 11.30 The Electric Theatre Show. 1.25 pm Anglia News. 2.45 Houseparty. 3.15 Firehouse. 4.25 Rocket Robin Hood. 4.45 The Next ... Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Movin' On. 10.30 International Darts Matchplay. 11.00 Luke's Kingdom. 12.05 am Themes.

ATV

9.25 am The Addams Family. 9.50 Young Fishermen of Bay Bulls. 10.15 ... 10.40 Morning Cinema: "The Smallest Show on Earth." 12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.15 Windows. 4.20 Fangface. 4.50 Salvage-1. 6.00 ATV Today. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Armchair Thriller. 8.00 Spooner's ... 10.30 Format V. 11.10 ATV Newsdesk. 11.15 Casino de Paris.

CHANNEL

1.20 pm Channel Lunchtime News. ... 4.15 Puffin's Birthday Greetings. 6.00 Report at Six. 6.35 Crossroads. 7.00 Target the Impossible. ... 10.28 Channel Late News. 10.35 Song. 11.05 Steam. 11.25 The Thursday Film: "Panic on the 5.22." 12.45 am News and Weather in French.

GRAMPIAN

BORDER

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

GRANADA

RADIO 1

RADIO 2

RADIO 3

RADIO 4

F.T. CROSSWORD PUZZLE No. 4,246

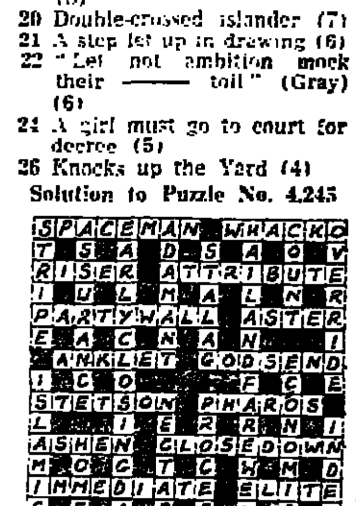
ACROSS

1 Publication that is connected with the Turf (6)
4 Look round for a likely customer (5)
10 Recurrent changes we turn to in provisions (9)
11 Genuine majesty gains the kingdom (5)
12 Petulance could mean removal from the Board (4)
13 Inverted party between two platforms (6-4)
15 "The —— tenor whose vocal villainies" (Mikado) (7)
16 There's a mixed-up girl (6)
19 Sounds like the hymn to produce boredom (6)
21 A game of bridge (7)
23 Not a general practitioner (10)
25 Footwear for one who is obstinate (4)
27 Amid the ack-ack Bob takes to the bottle (5)
28 Drink in the morning—that's surprising news (3-6)
29 Educated — presumably knows the ABC (8)
30 Trial or business (6)

DOWN

1 Recorded delivery (8)
2 Obsolete and fruitless (3, 2, 4)
3 I ought to express thanks for the letter (4)
5 Relief observance about extrasensory perception (7)
6 Tortuous flower in Hyde Park (10)
7 Time to muse (5)
8 Choosing the right moment—it is up to China (6)
9 Money for a policeman (6)
14 Shellfish more usually without the fairy (10)
17 Expressive persuasion (9)
18 Starts with little intelligence but essential to the whole (8)
20 Double-crossed islander (7)
21 A step let up in drawing (6)
22 "Let not ambition mock their —— toil" (Gray) (6)
24 A girl must go to court for decree (5)
26 Knocks up the Yard (4)

Solution to Puzzle No. 4,245



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Sat & Tues 7.00: Aida. Wed 7.30: The Barber of Seville. 104 balcony seats avail. from 10 am on da yof perf.

COVENT GARDEN. CC. S. 240 1066. (Gardencharge credit cards 836 6903.) COVENT GARDEN PROMS sponsored by Midland Bank. THE ROYAL BALLET.

THEATRES

NATIONAL THEATRE. S. CC bkgs 928 2252. OLIVIER (open stage): Today 2.45 (low price mat) & 7.30 AS YOU LIKE IT by Shakespeare. Tomor 7.30 Othello. LYTTELTON (proscenium stage): Ton't Tomor 7.45. Sat 3 & 7.45, April 18, 19 mde DEATH OF A SALESMAN by Arthur Miller. (Note: Not Thee & Me as originally scheduled.)

WYNDHAM'S. S. 01-836 3028. CC bkgs. 379 6565. Tickets only £1.80-£4.80. Evgs. 8.00. Fri. & Sat. 6.00 & 8.40. Belt and Braces in ACCIDENTAL DEATH OF AN ANARCHIST.

YOUNG VIC STUDIO. 928 6363. Ton't. 7.45. THE IMPORTANCE OF BEING IRISH.

CINEMAS

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THE ARTS

Leonard Burt

Janet Dale, Roger Rees, Emily Richard and Suzanne Bertish

Warehouse

Three Sisters

We are becoming almost sploit for top class ensemble productions of Chekhov. In the past four years we have seen Jonathan Miller's *Three Sisters* in the West End, Peter Gill's *The Cherry Orchard* at Riverside Studious arnd now, arriving in London after last year's small-scale RSC tour and a season at Stratford (where it was enthusiastically reviewed by B. A. Young), comes Trevor Nunn's excellent revival.

The characters are looked at with absolutely fresh eyes. Janet Dale's Olga is no hatchet-faced spoilspoirt but a vulnerable girl at good looking as her sisters. Emily Richard's Irina is young enough to become hysterical at the thought of never getting to Moscow but old enough to smoulder quietly when turfed out of her room to make way for Natalya's baby.

The whole show is magically set against John Napier's brown cloth decorated with Orthodox iconography in peeling gold leaf, surrounded by the emphatic but melancholic arrangements by Henry Ward of Russian piano music, and lit with incomparable subtlety by Brian Harris. In Act Two, you share the coldness of the house with the inhabitants, as candlelight gradually seeps into the gloom only to fade after the revelry is disbanded by the socially selfish Natalya. At the end, the three sisters clutch each other in an attitude of optimistic defiance, shouting their resolution over the receding brass band as Chebutikin (Griffith Jones) combs his massive white beard in time to the music. Smoke fills the theatre in the aftermath of the fire and Andrei wheels an ancient perambulator around a single bench on a floor strewn with autumn leaves.

Bob Peck as Soliony has a telling repertoire of stiff mannerisms as he preens himself in the ridiculous image of Lermontov and rakes the stage for approval from Irina over Tusenbach's tinny rendition of the Moonlight Sonata. The stage, in fact, is full of diagonal, unspoken pacts between people which then erupt as the plot catches up with them. Suzanne Bertish's Masha gives Vershinin the flirtatious eye through a haze of cigarette smoke before exploding in destructive rage when Edward Petherbridge slopes off to deal with another suicide attempt by his wife. And Miss Bertish has to be physically restrained from her own sorrow as she screams and seems about to retch when he finally leaves her ever after kissing her full on the mouth. This combination of subtlety and histrionic gesture characterises the evening.

It is invidious in such a company to select favourite performances, but special mention must be made of Roger Rees as Tusenbach. Instead of a sickly weakling, Mr. Rees offers a fully fledged portrait of potent hesitancy, scanning the assembly with mocking giggles and flashing glances. Before going off to get shot in the duel, he tears at the heart with his plea for Irina to say *something* to him. Any farewell would do, even from the girl who has promised to marry him without love. In such a context, such dangerous speeches as the one about cranes that keep flying in an unchanging world of human endeavour and emotional compromise take on real poignancy.

MICHAEL COVENEY

O'Neill Theatre, Broadway

I ought to be in Pictures

I have heard of tennis players whose service is so effective that they have to stop serving in order to practice another part of their game. Neil Simon seems to have left his joke machine in the corner in order to plumb the depths of his characters in *I Ought to be in Pictures*.

Some left-over jokes are not allowed to go to waste, and they turn up for their typical job of cutting short some touchy or long-winded answers. When the father resists his 19-year-old daughter's interest in hearing about the 16 years since he abandoned the family, the girl tells him he "could do it a couple of hours every night for a wek—like Roots." In response to a delicate question from the father, the daughter says her mother's social life was fine when she dated the local butcher and he brought home sides of beef. "Then we knew it was over when we started getting chicken wings," she sadly concludes.

In exploring this relationship between long lost father and daughter, Simon has chosen a premise short on funny possibilities. The daughter hitchhiked from New York to California to see him, occasioning a number of California-versus-New York jokes that have become a stale Simon staple since he switched coasts himself a couple of years ago. But for the most part, Simon tries admirably to avoid resorting to the nearest quip to get through the play.

Dinah Manoff and Ron Liebman

More sentimental than funny, it does raise deep questions, only to give superficial answers back. The daughter's worst scar fro mgrowing up knowing his father had abandoned her is the habit of conversing with her dead Grandma, whose wise advice sounds like the Delphic Oracle. Having told the girl to visit her father, the grandmother helps Simon steer clear of any real ticklish issues. When words do finally fail, the struggling characters get teary-eyed and hug each other. Ron Leibman as father excels in the lachrymose look of a guilty dog. Little more is required of him since the daughter, played by Dinah Manoff, steals the show with her combination of saintly wisdom and St. Bernard: she not only loves her father but also teaches him to love her back.

The play combines a contemporary domestic mess with old-fashioned play crafting techniques, which ordain that the characters step into the minefield at 8 o'clock, dance round vigorously till they emerge unscathed at 10.20. The trick is clever, especially performed without benefit of joke machine, but the ease of the sentimental resolution ends up making the minefield seem awfully impotent.

FRANK LIPSIUS

Baghdad Film Festival

Documentary winner

The Fourth Baghdad International Festival of Film and TV Programmes about Palestine (March 15-20) seems too far off the beaten path to attract guests from afar, but Iraq is opting to be a leader among the non-aligned countries under President Saddam Hussein and attendances this year was high: 250 guests from 40 countries. Many representatives came without films on the Palestinian Issue, more than likely to view the city's face-lifting—five new hotels under construction, in addition to an 11-storey cinema and theatre building, government quarters, and a sprawling conference Palace plus offices and hotel building with connecting underground tunnel — in preparation for the 1982 Conference of Non-Aligned Nations, at which some 90 countries are welcomed to be on hand.

As for the festival, a biannual affair, the runaway winner was a long documentary: Amin Al-Bounni's *Palestine: The Roots*, produced by Syrian Television, which simply traces the roots of the Palestinian people back to the Canaanites and Amorites of ancient civilisation, and thus places a contemporary issue in its historical context. It won the festival's major prize, just as Johan van der Keuken's *The Palestines* (Netherlands) won the same recognition two years ago. The rest of the offerings leaned heavily on the Litani River, South Lebanon, and the captive city of Beirut for sustenance, some with remarkable insight—as Faisal Alyassiry's feature film, *The Sniper* (Iraq) — but with fumbling technical expertise.

In the middle of the festival, an excursion—to the Habbaniya tourist village 50 miles east of Baghdad, where the waters of the Euphrates are diverted to form a lake-reservoir. The resort, built with help of the French, is indeed the largest of its kind in the Middle East, with 2,000 beds, bars and restaurants, and all the modern facilities associated with sport and leisure. It's but a year old, a desert complement to the new luxury hotels planned for Baghdad by the end of this year.

This display of creature comforts, however, wasn't the main attraction. A band of galloping, magnificent Arabian horses across the sand dunes under an azure sky caught the eye — a scene on location for an Iraqi epic, Saleh Abu Seif's *The Battle of Kadessia*. Al-Qualissiya (to use the Iraqi-English spelling rather than H. G. Wells') was where the Muslims, or Arabs, defeated the Persians in 637 AD in one of history's most decisive battles.

RONALD HOLLOWAY

Bloomington, Indiana

Cry of Clytaemnestra

by ANDREW PORTER

John Eaton is the most interesting opera composer writing in America today. Two years ago, I praised his large, exciting *Danton and Robespierre*—a work for very big choral and orchestral forces (including a double orchestra, its sections tuned a quarter-tone apart) and many soloists.

Danton is now available on a CRI recording, and people can hear it for themselves. Eaton's latest piece, given its premiere in Bloomington in March, is *The Cry of Clytaemnestra* (Eaton's spelling), a powerful one-act drama with a large central role challenging and rewarding to an adventurous mezzo-soprano.

The opera, with a libretto by Patrick Creagh, is drawn from and inspired by the *Agamemnon* but not a rash endeavour to set Aeschylus to music. In effect, it is an extended scena for Clytemnestra (to use the established spelling). The place is the royal bedchamber, the time a few days before Agamemnon's return. In visions, Clytemnestra's mind goes back to the sacrifice of Iphigenia, across to Troy where her husband dallies with Cassandra, and forward—a kind of waking nightmare, enacted coram publico—to Agamemnon's return and her murderous reception of him. Agamemnon is seen only through her eyes, brutal, arrogant, and inwardly weak. Iphigenia is heard only through her ears. But Aegisthus, Electra, and Orestes appear in the "real time" of the drama. There is no chorus: The large theme of the *Oresteia*—justice, fate, and individual responsibility—is not explored. It is single-minded and imposing study of the tragic and terrible heroine.

The opera opens with a prolonged and rending cry, an outburst and ululation of anguish. Clytemnestra is realling Iphigenia, and her cry is answered by high, clear arpeggios from an Iphigenia beheld in vision. They are written in a C-major just intonation, kept on pitch by a precisely tuned electronic ammocpaniment, and haloed in electronically induced resonance. This seems to invest them with an unearthly purity and radiance.

Clytemnestra's cry punctuates the opera, developing and altering with each step of the action, until at the close, as the beacons of Agamemnon's return blaze out across the backcloth, it becomes "a pure and terrifying cry," at once the expression of a fulfilled woman now certain of her path and, as it were, the vocal embodiment of a bright, destructive flame in which grief and fury alike have been consumed.

Eaton has the command of vocal gesture that is the mark of a born opera composer, and his armory of expressive devices is large. It includes different kinds of tuning, which can provide not only consonance truer than that achievable by the twelve fixed notes of equal temperament but also telling inflexions of melodic line, curiously coloured harmonies, and tense tonal oppositions. His fine ear and soaring musical imagination have caught and given precision to that emotional "bending" of pitch which all expressive singers employ at times, almost instinctively; and he has carried the communicative possibilities into his orchestra and woven it into his harmonic textures. His use of electronics to sustain unfamiliar pitching, to enhance natural sounds, to create new sounds and set them rolling through the theatre, is masterly. His virtuoso writing for the orchestra of 19 soloists is telling. His singers are put through extreme ranges—yet not one cast but two alternate casts managed the music with confidence, and made it sound good to sing.

Thomas Baldner conducted. Max Röthlisberger produced and designed. At all my visits to Bloomington — earlier ones were for *Doktor Faust*, *Christmas Eve*, and *Danton* — the Indiana University Opera Theater has struck me as just about the most serious and consistently satisfying of all American companies. The theatre, a 1,500-seater, is the best I know in this country. To difficult, adventurous pieces, the students can devote the long rehearsals — an dthe enthusiasm — hard to achieve in the commercial hurly-burly of the ordinary big-house operat round. The *Danton* recording provides a proof of their accomplishment. Next season, *Prince Igor*, Cavalli's *Egisto*, and the American premiere of Martinu's *Greek Passion* are among the pieces due. The outstanding singers in *Clytaemnestra* were Nelda Nelson in the title role; Sally Wolf, sweet, limpid and pure as Iphigenia; and Tim Noble as Agamemnon. The opera has its failings: the libretto is sometimes naïve, sometimes indecorous. Its language veers between the would-be elevated ("Sad evening jades the day, and I must mourn") to the unseemly "My mother's stud"). But the music is arresting, powerful, and beautiful, and the line of the drama is sure.

The Cry of Clytaemnestra was done on a double bill with an enchanting performance of Buson's enchanting *Arlecchino*, an aristocratic, learned, witty, and melodious work with a flavour all its own. A week before there had been the best *Porgy and Bess* I've ever come across, done by an all-black campus cast — there was a double cast through the run — and richly and warmly sung, in a detailed yet utterly natural production by Ross Allen and stunning sets by Röthlisberger. Charles Webb, dean of the music school, conducted, and inspired orchestra and cast to feel and fill their phrases. *Porgy* revealed its kinship with *Carmen* and *Peter Grimes*. The genre scenes built into a coherent whole, and the threads of the individual tragedies, individual sufferings and solaces, ran through it unbroken.

Shaw Theatre reopens

The Shaw Theatre re-opens next week after an 18-month closure for essential building repairs with a production by the National Youth Theatre of *The Volunteer* by a new writer Michael Arditti. The opening night is April 14 and the play runs for two weeks.

In May Michael Croft moves in his new professional company, now called the Shaw Theatre instead of the Dolphin Company, which is presenting *Pygmalion* with Paula Wilcox as Eliza followed by *The Beaux Stratagem*. *The Merchant of Venice* and *Macbeth* are also planned.

Croft hopes to present 40 weeks of the professional company at the Shaw and eight weeks of the NYT. In an effort to raise cash, companies are to be encouraged to sponsor a seat at £500 each. The continuous financial problem of meeting costs while following a cheap seat policy in its efforts to appeal to a young audience means that the Shaw must rely on a safe repertoire, plus support from Camden Council and the Arts Council, to keep afloat.

Wigmore Hall

Stephen Bennett

Born of English parents but educated in the U.S., the clarinettist Stephen Bennett apparently rejected a conventional music-college training in favour of "individual tuto[illegible] which exposed him to [illegible] clarinet traditions of the [illegible] I am not sure what that [illegible] but it does suggest that Mr Bennett has very definite ide[illegible] on the clarinet repertoire whi[illegible] he wishes to put into practi[illegible] Yet it was difficult to find m[illegible] positive features in his London debut recital at the Wigmore Hall on Tuesday evening, when he was partnered by the pianist Joyce Riddell.

Among familiar clarinet staples—Schumann's *Fantasiestücke*, Brahms's F minor sonata, Lutoslawski's *Dance Preludes*, Debussy's first rhapsody—Mr. Bennett interpolated three novelties. His performance of Elliott Carter's *Pastoral* was billed as the first in Britain, presumably referring to the version for clarinet and piano; it was written in 1940, originally for viola. The transfer is effective enough: Carter's early works fascinate for their mix of modernist and populist elements, jazzy syncopations with lilting compound-time melodies, folk references with passages in which the thread of tonality is all but lost. Knowing the end-product of these explorations, one can tease out the coming stylistic advances.

Valentino Bucchi's Concerto for clarinet solo merely grafted some glissandi and chords from the new vocabulary of woodwind sounds on to a conventional rhetorically empty set of four movements, Dino Castro's *Interplay* for clarinet and piano (given its world premiere here by Mr. Bennett and Miss Riddell) worked hard at a Hindemithian thematic argument.

All three pieces were presented with much confidence and sound technique by Mr. Bennett but he had earlier given far less satisfaction in the works by Brahms and Schumann. Intonation was often insecure, tone bland and attack lacking. There were moments also when clarinet and piano appeared to have determined on policies of quite separate interpretative development.

ANDREW C[illegible]

Play transfers

Michael Frayn's highly successful play, *Make and Break*, starring Leonard Rossiter and Prunella Scales, is to transfer from the Lyric Theatre, Hammersmith, to the Haymarket Theatre on April 24.

Victoria Wood,

Crucible, Sheffield

Good Fun

Victoria Wood writes dialogue in the same style she uses fer her songs. As these have a wit and technical facility, that, at their best, almost match Sondheim's, she is well equipped to fill an evening with laughter. The audience at the Crucible laughed almost without stopping, I with them most of the time.

But Miss Wood offers more than laughs. *Good Fun* is about the preparation in a North Country Community Arts Centre of an amateur concert in aid of cystitis sufferers, and some sharp barbs are aimed at the people involved, sharpest perhaps (though never specifically) at the municipal officials responsible for the appointments. In efficiency is at the heart of most of the jokes, but all the same this isn't just a look-at-silly-old-me play. The characters call for symypathy as well as laughter, and though they all tend to sound like different aspects of Victoria Wood, their problems are clearly etched with strong acid, and the evening ends unexpectedly on a note of tragic disillusion.

Liz, producer of what is to be called *Cystitis 80*, is beautifully played by Annabel Leventon. She starts as a busy Samaritan, who will "run your life, or run you to the shops," but after the collapse of all her efforts, social and artistic, she decides that she really couldn't care less. Lynne, one of her amateur helpers, tries to cure her unexpected pregnancy ("How can I have a baby? I've never even had a goldfish") with half a bottle of Paracetamol, after a song of disillusion splendidly sung by Sue Wallace. Elsie (Miss Wood helself), Liz's bosom friend, just walks out and goes back to he job.

Miss Wood invents jokes better than situations, and *Good Fun* hasn't much dramatic coherence. It's more like a programme of turns; characters enter or leave without much point, the separate crises that afflict the characters aren't interconnected, except that everyone's on the same project. But there are no dull people in the party; even Gail (Noreen Kershaw) and Frank (Charles McKeown), who end up mutually attracted by their difficulty in making jokes, make that difficulty amusing.

David Leland's production sprawls over the open stage with a true sense of the well-meaning untidiness of girls like Liz, and Roger Glossop's job as designer must have been largely concerned with finding space for all the ragbag of practical props needed for the Community Arts Centre. There is a small band out of sight upstage, twice suddenly unleashed on a truck to accompany a singer.

All the girls have songs, none of the men, and I must add to my credits Julie Walters as a cosmetic saleswoman, who has a dance as well, of a sort. David Firman, in charge of the music, has devised some peculiarly attractive orchestrations for his small band—a touch of Burt Bacharach.

B. A. YOUNG

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The case for free trade

AS BRITAIN'S economic recession deepens, the calls for protectionism from unions and certain industrialists will undoubtedly become steadily more strident. It is therefore reassuring that the Government decided to respond to the protectionist demands put forward by the Trades Union Congress last month, not just with a flat rejection, but with a reasoned statement of its policy on trade. With this statement, which took the form of an open letter from the Trade Secretary, Mr. John Nott, to the TUC, the Government has tied itself firmly to the cause of free trade. Any significant deviation from liberal trading principles will now have to be acknowledged publicly as a repudiation of established policies and a major U-turn.

Persuasive

In addition to the standard arguments in favour of free trade, to which governments all over the world have at least paid lip-service for decades, Mr. Nott makes a number of points more specifically relevant to Britain's current economic position. These ought to be persuasive even to sceptics who may have doubts about the benefits of free trade as a general economic principle.

For Britain at the present time protectionism would be a uniquely undesirable course for several special reasons. The strentgh of the pound is one of the major problems confronting British industry. But selective import controls could, if effective, drive the pound even higher and thus make life more difficult both for exporters and for domestic industries in sectors which remained unprotected. This apparent paradox arises because North Sea oil has largely insulated both the exchange rate and the overall trade balance from the effects of a sharp deterioration in non-oil trading. As a result, Britain's overall trade balance in the next year or two is likely to be considerably stronger than that of most other industrialised countries. On balance of payments considerations, Britain has less reason to fall back on protectionism than Japan and Germany. Both of these countries expect trade deficits of more than $10bn this year.

The exceptional importance of exports in Britain's national output makes it especially dangerous for Britain to embark on protectionism. The share of exports in Britain's GDP is double that in Japan. Thus, while North Sea oil would make it especially difficult to justify import controls to Britain's trading partners, no other country has so much to lose as Britain from trade retaliation. Britain's extreme dependence on trade may, in some ways, be a disadvantage during a period of international economic instability. But the enormous structural adjustments required to convert Britain from a trading to a more self-sufficient nation would be at least as painful as the one British industry is now facing.

Even if Britain were able to impose import controls with impunity, the economic adjustment to higher productivity would still have to be made in order to maximise living standards prevailing in other countries would have to remain the central objective of economic policy. If this could be achieved, British industry would automatically become internationally competitive. A policy of import controls would affect this process of necessary adjustment only by making it slower and more uncertain: it would require government planning to take over the role now being played by international market forces.

In fact, it is only in the context of a fully managed economy that an intellectually coherent case for import controls can be put forward. Even Mr. Wynne Godley's Cambridge Economic Policy Group have argued that selective import controls, designed to protect uncompetitive industries, would be counter-productive. But Mr. Godley's generalised import controls are intended for an economy where the government assumes responsibility for active demand management.

Experience

Import controls of this kind are designed not to protect specific industries, but to allow the government to stimulate demand, by means of fiscal and monetary policy, to a level which the balance of payments would otherwise have made unattainable. But Britain's experience over the past ten years has shown that such artificial stimulation leads only to excessive wage settlements and inflation.

More problems for Belgium

THE LAST FEW months have seen a distinct turn for the worse in the fortunes of Belgium. Last summer all seemed to be going well. In an apparent demonstration of the country's resilience, the economy was surging forward, with industrial production showing the most promising recovery since the 1973-74 oil crisis. On the political front, the country had a new Prime Minister, Mr. Wilfried Martens, who looked well equipped to tackle the perennial disagreements between French-speaking Walloons and Dutch-speaking Flemings that have so long made a mockery of the country's motto "L'Union fait la Force."

Unemployment

Now, Mr. Marten's failure to resolve differences between the two linguistic groups has led to his resignation, at a time when the economy is looking as unhealthy as, six months ago, it looked prosperous. Devaluation of the franc has been staved off, with the help of record interest rates and National Bank support. But a prolonged political is in for, will do nothing to crisis, if that is what the country strengthen confidence in the currency. Unemployment is at the second highest rate in the EEC, after Ireland, and Government spending, particularly on social services and benefits has soared. Inflation, at nearly 7 per cent, while low by many other countries' standards, has reached a disquieting level for a country that tries to keep in step with West Germany and the Netherlands.

The resignation of Mr. Martens's Christian Democratic-Socialist coalition has thrown his Government's plans to tackle the country's economic problems into confusion. He had been aiming for an across-the-board 2.2 per cent cut in Government psending to reduce the soaring State deficit, combined with a package of austerity measures. He had planned to reduce next year's deficit still further. But if all orm ost of this is now in doubt, the franc appears to have survived the immediate impact of the Government crisis quite well.

By the time the Government finally fell, Mr. Martens's economic measures had become inextricably bound up with the fate of his efforts to defuse the linguistic problem. His Socialist Coalition partners had said they would only support the austerity package if the Government's devolution plans went through. Their hope was that the granting of greater autonomy to the country's three main regions, Flanders, Wallonia and Brussels, would prove popular in their traditional French-speaking power base in the South. In the end the plan failed precisely because a number of Flemish Senators in Mr. Martens's own Social Christian Party felt that the French-speakers were getting things too much hteir own way—especially in officially bilingual Brussels.

Few non-Belgians pretend to understand Belgium's linguistic problems. The minutiae of the disputed issues can seem trivial to the outside world. But, however much some Belgians deny there is such a thing as a "linguistic war," there is no gainsaying that many of the issues arouse extremely strong feelings — particularly in the areas where the two languages overlap. As, over the years, the Flemish majority has gained equal rights and surpassed the Walloons in prosperity, the French-speakers have been forced into the defensive. The Flemish, understandably, insist on the precise implementation of their hard-won rights. To give an inch is regarded by the hardliners on either side as surrender.

Autonomy

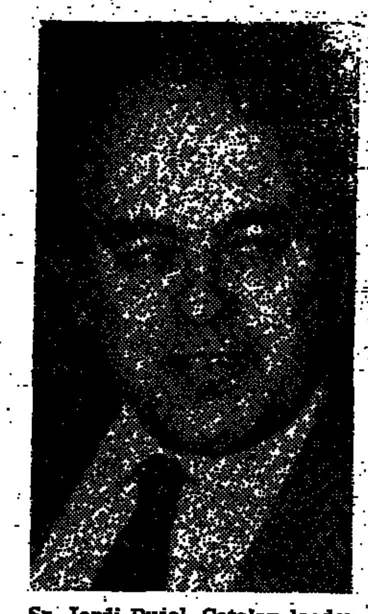
The three possibilities now facing the country appear to be the formation of a new coalition, possibly including the right-wing Liberals, early elections, which neither of the outgoing coalition partners particularly want, or a prolonged political crisis. The latter would clearly not be in the country's interest. The economy needs early attention, and the country's linguistic problems are not going to go away if nothing is done about them. The French-speakers, in any case, are insisting that the move to greater autonomy can no longer be put off. Constitutional reform looks inevitable if the tensions between the country's two communities are to be defused. The problem is, and long has been, to agree on the details. The failure of Mr. Martens, a man of considerable political skill, does not augur well for the future.

Challenge from the regions to Spanish democracy

By ROBERT GRAHAM, Madrid Correspondent

THREE recent polls have marked a watershed in the politics of post-Franco Spain. The results of the referendum in Andalucia and the elections to the Basque and Catalan Parliaments have proved the first serious setback to the reputation of Sr. Adolfo Suarez in nearly four years as Prime Minister.

At the same time the fragile roots of his ruling Union De Centro Democratico (UCD) party have been exposed. These two aspects have tended to capture the headlines here, but there is also concern about a development of potentially far greater long term significance. The three polls have been a blow to the hope that Spain could evolve a two-party democracy. Spain is now faced with the phenomenon of increasingly strong regional or 'nationalist' parties eroding the strength of the national parties. Both the present Government, and any future government, will have to take account of these parties, which, outside their own nationalist sphere, tend towards ideologically maverick policies.



Sr. Jordi Pujol, Catalan leader

The fundamental problem is not new. Spanish history books bulge with accounts of the struggle of the central government trying to exert authority over the regions. In the run up to the Civil War the Basque country, Catalonia and Galicia had either been granted, or had been promised a substantial degree of independence from central government. Franco put the clock back, with an almost obsessive belief in a centrally administered Spain without any concession to regional identity. Now the problem is only presented in a different form—how does a democratic system in Spain satisfy the demands of the various regions for autonomy without making the country ungovernable?

The Constitution adopted in December, 1978 sought to answer this question by making Spain a unitary state, while recognising the historic identities of regions. Federalism was rejected in the belief that it would weaken the fabric of the State and perhaps lead to its disintegration. Yet having rejected federalism, the Government of Sr. Suarez proceeded to offer regional autonomy to all those who wanted it. His aim was to offer a degree of autonomy to all, so establishing a norm which would limit the demands of the most demanding such as the Basque country and Catalonia. It was as though the British Government, in order to stem the desires of a large number of Scots and Welsh for autonomy offered autonomy to every region in the British Isles.

In retrospect it is highly doubtful whether this tactic diluted Basque and Catalan demands. Certainly regionalism was aroused in other places where it was either dormant or non-existent. In Andalucia and to a lesesr extent in the Canary Islands and Extremadura, local parties emerged on the back of regionalism, which became a convenient vehicle of protest against years of central government neglect. Sr. Suarez's approach to regionalism opened a Pandora's Box of deep-felt grievances and aspirations, and rather than limiting devolution to regions with historic identities, made it a nationwide phenomenon. This threatened to turn the spirit of the Constitution upside-down, pulling Spain towards a form of *de facto* federalism.

Faced with this prospect, and under pressure from both the armed forces and reportedly the King, Sr. Suarez began to re-asses his strategy. In January, with the Basque and Catalan autonomy statutes approved, Sr Suarez announced his new policy. While promising that *all* regions would eventually enjoy the same sort of privileges, he added that the process would be slowed down. Autonomy would be granted under a different constitutional article, which was much vaguer than that applied to the Basques and Catalans. The only way to adopt the same process as the Catalans and Basques would be through a prereferendum endorsing this process.

Presentation error

Sr. Suarez might have succeeded with this approach because the Socialists, the main opposition party, were themselves concerned at the pace of devolution and wanted to rationalise the process. They stood to lose just as much from the hopes aroused by the emergent regional/nationalist parties. However, the policy was ineptly presented and Sr. Suarez chose to include Galicia in the same category as the Basques and Catalans, but left out Andalucia. Galicia is one of the regions with an historic identity and retains its own language. Andalucia, the largest and most populous region of Spain, with its ancient Moorish traditions, had assumed it would be included in the "quick" constitutional process. The exclusion was a cynical calculation—Galicia's electorate is basically conservative and rural, while Andalucia is much more radical. Sr. Suarez *did* not mind having to deal with a Galician Parliament but he wanted to postpone as long as possible having to do the same for Andalucia, which would be hostile to the UCD.

The exclusion of Andalucia badly backfired on Sr. Suarez. The chief UCD representative in Andalucia, Sr. Manuel Clavero Arevalo, resigned, taking with him a sizeable portion of the party's supporters. As Minister for Regions he had been responsible for the Government's original regional polic. Further, by riding rough-shod over Andalucian sentiment, Sr. Suarez succeeded in arousing precisely wha the had hoped to dampen—a genuine sense of nationalism. The strength of nationalist feeling was underlined on February 28 in the referendum held to decide whether Andalucia should adopt the "quick" mechanism for autnomy. The vote was 55 per cent in favour. The day was only saved for Sr. Suarez, who had urged abstnetion or a negative vote, by the constitutional proviso that there had to be an absolute majority in every province. In Almeria, the most backward of the six provinces with a traditionally high abstention rate, the vote was below 50 per cent. But this figure has been challenged and a recount is still in process.

This referendum vote was widely seen as a powerful popular rejection of Sr. Suarez's policy, and a nasty bruise to his prestige. Certainly he seemed to interpret it as such. When the time came for the elections to the first Basque and Catalan Parliaments in March—the next phase of establishing autonomy—he chose to campaign in person. In the case of the Catalan elections on March 20, he put in five consecutive days on the stump—a much longer sustained period than in last year's general elections. In spite of this his UCD party ended up fourth in the Basque and fifth in the Catalan elections. The result went well beyond a normal anti-Government mid-term swing.

None of the polls predicted such poor results, especially in Catalonia. The results were a bitter personal blow to Sr. Suarez and for a while he seemed unnerved, and talked about resigning. This is unlikely to happen, though he could seek a Parliamentary vote of confidence to reassure both himself and the party faithful. The damage to his reputation can be restored, but only if he chooses to change his mode of operation a little. Increasingly he has shut himself in the Prime Minister's office, rarely appearing in Parliament and even less in public. He listens to a very small group of advisors, not all of the highest quality, and he chooses to project himself, through continual and unashamed, control of television, less as a prime minister and more as a president.

But it will not be easy to repair the erosion of the UCD's strength in the regions where nationalist parties are proving much better champions of the UCD's potential electorate among the middle classes and conservative rural peasantry. Andalucia, the Basque country, and Catalonia represent over 50 per cent of the Spanish electorate, and here UCD has been exposed for what it is — a loose grouping of personal interests formed in 1977 and held together by the charisma of Sr. Suarez. It has no grass-roots militancy. Significantly the erosion is not limited to the UCD alone, but includes the second major national party, the Socialists. In particular the Andalusian Socialist Party nothing to do with the National Party) has absorbed many Socialist votes in a region considered a Socialist stronghold. Both the leader, Sr. Felipe Gonzalez, and his number two, Sr. Alfonso Guerra, are from Seville. The Socialists are becoming tarred with the same "centralista" (centralist) brush as the UCD. Indeed, the two are increasingly paired together by the regional parties, and the faults of Sr. Saurez tend to be visited on the Socialists.

Horse-trading strategy

It will take perhaps a decade to sort out the full details of devolution. During this time it it would be surprising if regional parties lost their atraction so long as they sustained their current image of representing the voters' interests. The most effective lever that these regional/nationalist parties have is their presence in the Madrid Parliament. Votes on key legislation can be horse-traded for regional concessions. This will be the strategy of the two conservative nationali parties that have emerged with the most seats in the Basque and Catalan parliamentary elections and which will now lead their respective governments—the Basque Nationalist Party (PNV) headed by Sr. Carlos Garaicdetxea (who was elected President of the Basque Government yesterday) and the Catalan Convergence Party (CiV) headed by Sr. Jordi Pujol. Quite frequently Sr. Suarez has relied upon Sr. Pujol's nine seats in the Madrid Parliament to add to his own seats to give him an absolute majority. However a close working alliance is problematical because the main concern of both parties is the devolution of the maximum of authority to the regions. In other spheres, they are ideological mavericks.

In a Parliament where no party has an absolute majority such alliances are important. In the present Parliament the UCD has 167 seats and the Socialists 121. Nine different regional parties hold 29 out of the 350 seats. These parties come from Andalucia, Aragon, the Basque country, Catalonia, the Canaries and Navarre. In the next parliamentary elections due in 1983 it is expected that parties representing Galicia and Extremadura will be added. On present form the regional parties could account for between 15 and 20 per cent of total seats, the seats coming mainly from UCD and Socialist losses. The Communist Party has managed to hold its ground.

This means that it will be difficult, if not impossible, for either of the two major parties to obtain an overall majority. In turn this makes the task of governing Spain enormously more complex. No one knows how the system will stand up under these difficulties. Nor does anyone have any experience of the problems involved, Sr. Suarez included.

The prospect is, during the next decade, that some 14 different Parliaments in the various regions of Spain will be established. In the short term Sr. Suarez has to deal with two parliaments that are out to obtain maximum devolution. The most quixotic will be the Basque Parliament where the Basque Nationalist Party has to ensure that it is not outflanked by the militant Left that supports the hard-line separatism of ETA, the terrorist Basque organisation. The PNV's fear of losing out to the militants led seven weeks ago to its withdrawing its members from the Madrid Parliament, ostensibly in protest at Government policy towards the Basques. Sr. Suarez' tactic seems to be to try to play the Basques and the Catalans off against each other. (He feels most comfortable with Sr. Pujol.) But this threatens to be enormously time-consuming.

It is this aspect which in the short term is the most worrysome. A disproportionate amount of government time and energy will continue tobe devoted to dealing with the Basques and Catalans, and to what is happening in the other regions like Andulucia, the Canaries and Extremadura. This can only be at the expense of attention devoted to such important matters as the economy. Already in Andalucia there are signs of frustration at the slow progress on devolution and the ambiguity about what happens next. Since the referendum a couple of hitherto unknown groups have claimed responsibility for bomb attacks. As the four-year-old recession continues to bite deeper, with unemployment in depressed areas at over 18 per cent, these frustrations will increase, feeding on a general alienation from the central government. Some observers see in this a recrudescence of the old Spanish anarchist spirit. This is too alarmist but it serves to remind people that the establishment of a framework of democracy was one matter—making it work effectively is another.

MEN AND MATTERS

Let's go, say Olympic fans

The sports-loving British public is showing in no uncertain terms what it thinks of the Government's formal disapproval of participation in the Moscow Olympics. Contrary athletics fans have manifested their view in a flood of donations to the British Olympic Association's £1m appeal fund.

"We still have a long way to go," appeals director George Nicholson tells me warily, "but I am glad to say I sense a considerable upsurge of spirit since we decided to go ahead and send a team a couple of weeks ago."

Most of the recent backing has come from individuals, trades unions and local councils. However, says Nicholson, none of the commercial sponsors has pulled out, and plans are now afoot to re-start the fund-raising trawl around industry.

While naturally the association is disappointed that medal winning chances have been reduced by the withdrawal of the horsemen and women, I hear there is some relief that the fund will not be saddled with the cost (estimated at £60,000) of shipping riders and their steeds across to Moscow.

A month ago Nicholson had just 1,000 donations on his ledger. Now he has 1,700 which have helped take the grand tally up from £450,000 at the end of January to £630,000 now.

"If the support that has flocked to us in the past fortnight can be maintained," he says, "we will have a very good result at the end of the day." In the past week or so he has received up to 100 envelopes a day containing cheques and postal orders. Yesterday morning's delivery, for example, included 30 letters which yielded £5,384.90.

History is junk

The Department of Trade is preparing to dump into the dustbins of Companies House a weighty slab of British commercial history. The disposal is planned of the 2.5m index cards which have accumulated in the Registry of Business Names since it was established in 1916.

The Government admits that the £1m-a-year cost of running the department, which includes rental of storage space and pay for 65 functionaries, can no longer be justified in these hard times. It also concedes that in spite of its size, the registry has probably never provided a complete record and that about half the indexed entries are probably defunct.

The number of registrations has fallen off, and although it is technically an offence to set oneself up with a trading name behind a shop front or in a workshop without registering, prosecutions have been extremely rare.

Recently, most people using the service have done so under pressure from banks and Customs men who demand a certificate of registration before opening bank or VAT accounts. While other means will be found to cover these requirements, the original purpose of the system is, I hope, no longer applicable.

The wartime Government established the registry in a fit of institutionalised jingoistic fervour as a means of tracking down potential enemies of the State. By garnering full details of the men and women running small shops and other businesses, the administration felt it had found a foolproof means of rooting out German spies and other undesirable aliens who might be hiding behind apparently respectable Anglo-Saxon trading names.

Pulling power

Although at Christmas time the thoughts of many Britons are fixed firmly on their August holiday, even these long-term planners might consider Easter week a bit early to be devoting all one's attentions to Christmas.

But this is precisely what is happening at the Norwich-based Tom Smith company, which yesterday completed a six-month expansion programme by bringing on stream a fifth specially-designed, fully automatic machine to manufacture Christmas crackers.

In fact, the people at Tom Smith first started planning for the coming festivities back in January 1978. They are now well into full production, turning out crackers at the rate of 1m a week, and working furiously in the hope that festive ardour will destroy 48m of their than last Christmas.

In addition to the irony in carefully putting together something only to be ripped apart, the company's expansion overturns the conventional wisdom that automation costs jobs. Machines may cut, stuff and wrap a cracker, but people are needed to read the mottoes, check the tiny explosives and pack delicate goods. This automated expansion has added 60 jobs to an existing staff of 650.

Oddly, the company cannot put its finger on the reasons for the rising demand for British crackers. And while it is concerned about rising costs, soaring interest rates and their implications for seasonal specialists, a note of cheery optimism prevails. "After all," I was told, "even in the gloomiest circumstances, even during the Great Depression, most people managed to celebrate Christmas with the snap of a cracker and a paper hat."

Gap filled

The United States has finally solved a bothersome problem south of the border, though whether the solution proves to be lasting is another question.

The U.S. has had no ambassador down Mexico way since Pat Lucey resigned in November, causing a five-month hiatus which has not gone down well with either the Mexican Government or the U.S., which, given Mexico's growing oil wealth, importance to improving the traditionally uneasy relations with its southern neighbour.

Julian Nava is the new ambassador and will take up the post this month. He is special assistant to the president of California State University, author of several books on U.S.-Mexico relations and Spanish-speaking. So far, so good. He is also of Mexican descent, however, which has given rise on both sides of the border to questions over possible conflicts of interest.

The appointment also runs counter to Lucey's recommendation that his successor should not be of Mexican descent but that he should be—unlike Lucey himself—a career diplomat. A former friend of President Jimmy Carter, the former ambassador quit his post to join the camp of Carter rival Edward Kennedy, and now his name, not to mention his recommendation, is mud in the Carter administration.

The administration seems pleased with its new choice. Nava's name was leaked in Washington earlier in the year to gauge reaction, and, when there was no Mexican protest of note, the appointment was confirmed.

A man's life

I had heard that army discipline had softened considerably, but apparently not in the light of a notice I detected on the back ofa military ambulance in East Anglia last week: "Shackles to be used only for lashing."

Observer

ECONOMIC VIEWPOINT

Economic policy goes primitive

AT A PRIVATE gathering the other day a simple but crucial question came up. The ostensible purpose was to chew over the Budget; but that topic proved easily exhaustible; the Chancellor's strategy has the kind of blank, enigmatic simplicity of an Epstein sculpture. But it is there, and assuming that the targets are achieved, what will happen? What, especially, is likely to happen to the value of sterling?

The effect of a falling PSBR on the value of sterling sounds like a reasonably straightforward problem, and everyone present was being paid a pretty comfortable salary to answer such conundrums—economists, brokers, merchant bankers and managers of large investment funds. As you will have guessed by now, there was not the remotest hint of agreement. Every possible forecast, from an endless bull market to an imminent collapse of the exchange rate, was put forward; and subsequent argument hardly clarified matters at all.

The one point which everyone agreed was crucial was interest rate policy. If interest rates are allowed to fall as far as domestic conditions allow as soon asa recession appears (if it does appear), then one can speculate about this or that relief to manufacturers and debtors—the combined effects of cheaper credit and relaxed overseas competition might stop a recession dead.

However, the Bank of England's policy about interest rates is itself a mystery wrapped in an enigma, since a recent speech from the Governor warning that high inflation must imply high interest rates was promptly followed by authoritative briefings to the effect that he didn't mean quite that; and the current balance of power between Threadneedle Street and Whitehall (not to mention Downing Street) is another subject for lively speculation. The forecasts, then, failed to converge. "At least," somebody wryly remarked as the dust settled "we've got a market."

That thought may well be engraved on the hearts of policymakers as well as policy-guessers, for it would be a foolhardy man who would now assert that he knows how the economy works. Consider, for example, the exhibit on the table; the forecasts for 1979 offered by four leading practitioners at about the turn of the year, compared with the actual outcome.

In each case, the event was well outside the full range of prognostication: and it would be easy to add several other variables—growth of imports, of exports, of personal saving, of stocks, for example—and also add several other forecasters to the table without denting this conclusion. They all got everything wrong.

Of course this itself may prove a rash statement, for the figures for the "actual outturn" are themselves disguised forecasts—the forecasts of the recent past which are among the most embarrassing which practitioners have to make. The much-discussed corporate sector financial deficit for 1978, which suddenly vanished down some statistical black hole and turned into a surplus in the latest revision of the figures, is the most notorious recent example. An academic I know once went to the trouble of digging back through five years of official figures. The revisions were on average half again as big as the changes reported at the time, and often in the opposite direction.

The fact is, in short, that not only do we not know where we are going, but we don't know where we are starting from; and *the mystery is not so much why* forecasting is now in disrepute, but why it ever appeared to work. The answer, I suspect, is that for quite a period after the mid-1950s, ecoonmic events were remarkably undramatic. Even a totally naive forecast was likely to be within a percentage point or so on the important numbers; and any forecaster who had some feeling for turning-points—the points at which forecasting with rulers on graph paper breaks down—could pass as a sage.

FORECASTS AND ACTUALITY

	LBS	NIESR	P&D	Treasury	Actual	1980 range
Growth (% real)	3.3	3.3	2.0	2.0	1.5	−1 to +0.6
Inflation (% at year end)	9.9	9.5	10.2	8.5	17.2	13.5 to 14.1
Current account balance (£m)	−523	700	500	−250	−2,500	−800 to +1,100

LBS: London Business School; NIESR: National Institute for Economic and Social Research; P&D: Phillips and Drew.
The forecasts for 1979 were those available at February, 1979; and those for 1980 were those available at September, 1979.

In these more turbulent times, the weaknesses are more obvious. Forecasts are still on the whole better than rulers, but are no longer accurate enough to be used as a guide to action. What is more, the forecasts themselves are becoming as unstable as the economy. The final column of forecasts, only six months old, illustrates the point: it represents a lost world of optimism.

For real nostalgia, one has to look a little further back to the days of the Bray Amendment. Dr. Jeremy Bray first resigned from Mr. Wilson's Government to write a book denouncing Whitehall for ignoring the potential of computers for optimising economic policy. He subsequently got Parliament to back him in compelling the Treasury to publish its economic model. The admirable aim was to take the secrecy out of policy, and to prevent Whitehall from indulging its taste for management by ambush. Wider understanding would focus expectations, and thus improve efficiency and growth.

It was an idealistic scheme, and one important underlying thought has been adopted, in a very different form, by Sir Geoffrey Howe: strategy is now open and declared, in an effort to focus expectations. The model is public property too; but private users get wildly divergent results from it, and the Treasury's own prognostications, heavily doctored, are published by the Treasury with apologies and disclaimers.

What is more, there is little argument. The sophisticated apparatus of positive economics has collapsed throughout the world—or certainly the English-speaking world. Many Americans now quite seriously base part of their fears of recession on the fact that, for the first time in some years, the Council of Economic Advisers stopped forecasting a recession. They subsequently changed their tune, but that was the official view less than two months ago.

Herr Karl Otto Poehl, Governor of the Bundesbank (left) and Mr. Nelson Bunker Hunt: two holders of precious metals.

Economic discourse and policy is now getting back to some very simple fundamentals about money, credit, the price mechanism, real resources, and human behaviour. That may help to explain the remarkably friendly reception for what was, by traditional yardsticks, the most deflationary Budget since the war. Nobody is now sure whether it will prove deflationary or curative, or both neither of these things; but its reasoning is clear. The country seems to be reaching the same resigned conclusion as the financial men: at least we have a market.

* * *

Simplicity has its dangers, however, as much as sophistication; and the greatest danger is to base policy not on fundamental analysis but on slogans. The most fashionable slogan at the moment is that our overriding problem is inflation—and of course that inflation is a monetary problem. Cure that, and everything will right itself.

What is forgotten here is that inflation is partly a problem in its own right, but partly a symptom of—and indeed a rather perverse cure—for other underlying problems. British managers could live quite comfortably with wage pressure until monetary restraint really began to bite. The world could live quite happily with accumulating OPEC claims on resources, as long as those claims were being eroded fast enough by inflation. Now it is possible, though far from proved, that monetary fright will transform the structure of the British labour market; but it will not transform the structure of the oil market.

The oil problem is indeed so frightening that people are reluctant to think about it at all. First there was wishful thinking about the collapse of the cartel. Then there was wishful thinking about the capacity of the Euromarkets to make the problem disappear. Now there is wishful thinking about the collapse of the real oil price.

The unpleasant truth is that the conduct of OPEC is predictable, economically rational, and in a sense optimal. If an important economic resource is running out, then the correct pricing strategy—from the point of view of consumers as well as producers—is to maximise the revenue from that resource over time. This will *ensure* that the best use will be made of it.

We are faced, then, with a stark fact that no miracle of monetary policy will wash away. We may squabble about who gets the enhanced revenues. Consumer taxes are a good way of pre-empting revenues which the producers might otherwise take, and are surely preferable to war; the reluctance of some governments, including our own, to use this weapon wholeheartedly, for fear of a statistic called the RPI, is shamefully shortsighted.

We may buy time by building up oil production in countries which will spend their revenues rather than building up unmanageable financial claims—the UK and Mexico, for example. But claims will still accumulate, and our anti-inflationary policies may mean that they will not erode as fast as in the past.

Even so, a British issue of indexed bonds could prove an expensive folly if they were available to foreign holders—we could find ourselves issuing assets on behalf of all oil deficit countries, and compelled to buy their IOU's to prevent sterling vanishing into outer space.

It may appear, then, that the oil deficit countries have no choice but to mortgage their land and industry to buy oil—for now that expectations are alerted, resumed inflation would no longer limit the build-up of claims. Only accelerating inflation, and finally hyper-inflation, would do the trick.

However, there is one possible solution, and it is appropriate that Mr. Nelson Bunker Hunt, an oil-man, should provide the illustrations at his own expense. It goes back to the most historic of all explanations of inflation—the growth of paper debt secured against precious metals. If the trick succeeds, it is highly infitionary: if it fails, it is ruinous. Unfortunately, Mr Hunt's strategy is being pursued with great vigour by a number of people who are usually considered to be above reproach.

The illustrations have robbed my conclusion of its mystery: these men are central bankers (with the shining exception of Dr. Fritz Leutwiler of Switzerland). The Germans and the French have repeatedly blocked proposals to mobilise gold in settlements: the Germans have instead reversed their old resistance to a reserve currency role, and are hawking their IOUs are eagerly as any speculator financing a gold position. Yet gold is a favourite asset of the Arabs. It pays no interest, and actually falls in real value if anti-inflationary policy is successful. At current prices, and with sensible energy policies, it could reduce the OPEC financial surplus to a manageable size for many years. It hardly seems necessary to say any more.

Anthony Harris

Letters to the Editor

Fixing fair rents

From Mr. R. Jensen

Sir,—Mr. Jones commenting upon personal experience of the Rent Acts (April 2) highlights the paradox that "fair" rents exhibit a total lack of that quality of fairness one might reasonably expect to find, when seen through the eyes of a private landlord.

This is not surprising since, although "fair" rent may be satisfactorily defined, in practice a "fair" rent is simply what the rent officer (RO) says it is and, invariably, that means a massively repressed rent which requires legal enforcement in the guise of "security of tenure" (a gross misnomer for "security of a grossly depressed rent") in order to prevent Mr. Jones and many other landlords of the remaining, and ever decreasing 1.8m or so private lettings, from opting out of their enforced charitable roles.

To understand this paradox, it is first necessary to realise that, of the three routes noted by the Francis Committee (1971) for arriving at a "fair" rent, this being perceived as an amalgam of the results of pursuing all three, one is unavailable, another is rejected by rent officers and rent assessment committees and thus only the rent officer's "method of comparables" is left. (In this "method," incestuous liaison occurs within the rent officer's *data bank of* previous "fair" rent registrations and, since there is no obligation for him to index-link his rent registrations, a new and even more sub-economic "fair" rent registration is created which thereafter becomes available itself to assist at further procreations.)

Thus, although both meaningful definition and objective determination of an appropriate "fair" rent is feasible, in implementation it is simply what the rent officer (or, in about 4 per cent of cases, the committee) says it is. And, being not a judge but a bureaucrat constrained to procuring certain broad political goals (in particular, ensuring that tenants in both private and public rented sectors receive levels of subsidy which are not vastly dissimilar), the result is that Mr. Jones, for instance, receives a "fair" rent of £8.25 a week for his six-roomed semi-detached property whereas the replacement cost to him (to provide exactly identical accommodation) would almost certainly not be less than £50 a week.

Mr. Jones's claim to a "fair" rent of £17-£20 a week is therefore a not immoderate one when we perceive the cost of the opportunity which Mr. Jones has forgone to enjoy the use of the property himself.

The unavailable method (involving comparison with other market rents where no scarcity exists) is unavailable solely because the exploitative nature of "fair" rent implementation has induced an artificial scarcity (indeed, the virtual disappearance) of available private lettings and, as Mr. Jones has indicated (in common with many others), his own property will be withdrawn from the private rented market at the first opportunity.

The method rejected by rent officers and assessment committees alike, is the use of any appropriate private valuation technique such as replacement cost (to landlord) or return on asset value, this rejection being because it yields undesired answers, namely, rents which typically range between three and five times "fair" rents.

And, balancing fairness to the private landlord against tenant expectations (namely, access to the same massive subsidies as historically enjoyed, comparable with those in the public sector) on the scales of political expediency, there is clearly no political mileage to be gained from disturbing the present total imbalance between the treatment of the interests of the two parties.

In conclusion, I would like to recall that in a Financial Times interview (March 31, 1979), Abbey National's (then newly appointed) chief executive, Mr. Thornton, viewed favourably the possible role of building societies (his own in particular) as a new variant of private landlord and commented to the effect that he perceived no need (in such event) for any special exemption from the Rent Acts' strictures.

By contrast, the present Housing Bill proposes a new style "assured tenancy" for institutional landlords (such as Abbey National) which will be removed completely from the Rent Acts' strictures.

Is this evidence of a learning process on the "fair" rents issue or merely that those who formulated this Housing Bill failed to consult Mr. Thornton?

R. Jensen.
11, Stanhope Gardens,
London N4.

Causes of inflation

From Mr. D. G. Franklin

Sir,—In his Budget speech, Sir Geoffrey Howe, underlined that the Government continued to regard the fight against inflation as the first priority.

Within days of this most encouraging announcement, London Transport raised its prices, thus achieving a 2,400 per cent rise of its 1964 4d fare. This is an average annual increase of 150 per cent. The Borough of Lambeth this week raised its rates by 49.4 per cent, making a 13 months' cumulative increase of 108.9 per cent.

Sterling percentage point fluctuations pale into insignificance when exporting companies are burdened with astronomical increases of this magnitude.

The priority of winning the fight against inflation must include close scrutiny of the uncontrolled and unaccounted for price increases of Imperial Local Government Authorities and State Monopolies.

D. G. Franklin.
Lerpiniere House,
121, Kennington Road, SE11.

Ownership by workers

From Mr. Robert Oakeshott

Sir,—Samuel Brittan (Lombard, April 2) presents an understandable yet curiously jejune case for property rights in jobs. A much more full blooded and politically appealing case can be made for the restructuring of conventional businesses so that they become, in effect, partnerships with limited liability or workers' co-ops (if that description is preferred). Those joining will buy themselves in. Those leaving will take out their accumulated holding. All wro wrok in the business will participate in asset growth—and be exposed to the corresponding risk of asset loss—while they do so.

The potential benefits of this kind of "granulated workers" capitalism" are obvious enough in the area of industrial relations. For the interests of the shopfloor workers become much more closely aligned with the long term success of the business and much less exclusively involved with the weekly wage. These are thus conditions in which genuine vertical teamwork, between shopfloor and management, can be expected.

But the potential benefits go a great deal further than that. Can we really expect working people to believe that they have a personal stake in a benevolent pluralist system if a large majority can enjoy little more than a weekly wage (or entitlement to weekly unemployment benefit) and a protected council tenancy?

I a mconstantly amazed that these arguments evoke so tepid a response from liberal economists and indeed from the present Government. After all what Mrs. Thatcher is suggesting is that we shaould all adopt the sturdy yeoman values of thrift and self-help. But with the ownership of businesses so narrowly restricted this is a call to which only a tiny minority can respond. Ordinary people are being asked to aodtp the values of the property owning minority but are effectively kept out of the club. To expect that they will do so is like expecting that the majority of black South Africans will adopt the values of the white minority while being denied the vote (and indeed various other equally basic human right).

If we wan a genuine liberal adn pluralist democracy we must look for ways of underpinning the freedom of ordinary citizens. In peasant societies that can be achieved by peasant or yeoman proprietorship and it is that ownership of land which provides a firm basis for "Jeffersonian democracy." An equivalent firm basis in industrial society can only be sought in some form of generalised ownership.

Robert Oakeshott.

Accountability for estimates

Sir, — Lombard's plea for greater accountability for the supplementary estimates (March 15) is not a new one but the constitutional history behind their consideration leaves little hope that more time will be devoted to discussion of these important additional expenditures.

The basic problem is that it is now an inalienable convention that Her Majesty's Opposition have an exclusive right to choose the subjects for debate on supply days. Lombard points out, quite correctly, that supply days are used as occasions for general debates on particular aspects of the Government's policy, not necessarily related to the estimates being considered in committee at that time; indeed, rarely is there any connection.

Before the second world war, when time had to be found on the floor of the House of Commons to discuss supplementary estimates, it was found that such debates were causing congestion of the Parliamentary timetable. Hence the post-war increase in the number of supply days from 20 to 27, coupled with a corresponding agreement that the Government does not have to make time available on the floor for debates on the supplementary estimates. Surely it is better that the Opposition's overall opportunity to call the Government to account on its policies should be enhanced rather than debate being artificially restricted to the supplementary estimates, which would not necessarily provide the best opportunity for informed criticism. Such debates have been strictly controlled by the Speaker as to content since 1945 and it is undeniable that the floor of the House is not the best place to discuss the minutiae of policy; that is most effectively done in committee.

The very nature of supplementary estimates; that is the expenditure is an increase of sums needed for services that will already have been agreed to, and is in respect of money that has largely already been spent, makes debates on them politically unattractive. Lombard's suggestion that they should be referred to a select committee would not be possible as, if the committee were to devote sufficient time to their consideration, the estimates would not get passed before the end of the financial year. In any event, as has been pointed out, such an enquiry would still be *ex post facto* and thus not meet Lombard's main objection.

In short, the situation is the best that can currently be hoped for and one sympathises with the Leader of the House's non-committal reply as to possible reforms.

Michael L. Pearl.
Department of Public Law,
University of Dundee,
Dundee, Scotland.

Unknown outcome

From Mr. N. Davie-Thornhill

Sir,—I would like to make a short reply to Mr. P. Vander Elst (March 31). While accepting that it is likely that "Communism has taken a larger toll of human life in this century than both world wars combined," was not the rise of Russian Communism caused by the first world war and didn't the second world war add greatly to Russian Communist power, despite the Allied victory. My point is, that a future war can only add to the loss of life and the outcome is completely unknown.

N. B. B. Davie-Thornhill,
Stanton Park Farms,
Hinderclay Hall,
Near Diss, Norfolk.

Performance of engineers

From Dr. Neville Borg

Sir,—Your industrial correspondent (March 31) does not make clear that the opinion of "industry" does not agree with that of the qualifying bodies who contribute to the performance of engineers in the "construction industry."

A fair summary of this is that there is a majority in favour of uniformly high levels of qualification, registration, and accountability for performance, possibly of licensing for some categories. To most, however, the idea of dependence on one closely Government-related body for qualification, registrativing, whilst simultaneously trying to observe professional performance, (as distinct sometimes, from technical efficiency) is full of potential threat.

Neville Borg,
29, Bryony Road, Birmingham.

Today's Events

GENERAL

UK: Council of Engineering Industries submits to Department Industry its response to the report of the Finniston commiee of inquiry into the engineering profession.

National Union of Teachers conference, final day, Blackpool.

Mr. Alec Jones, Opposition spokesman on Welsh affairs, speaks on Tory Government's policy on council housing, Rhondda.

British Overseas Trade Board and Birmingham Chamber of Commerce seminar on trade with Africa.

Overseas: Council of Europe Foreign Ministers main session meeting, Lisbon.

United Nations Security Council meets to discuss Zambian accusations against South Africa.

Dr. Bruno Kreisky, Austrian Chancellor, last day of visit to Yugoslavia.

IMF taem talks in Ankara on three-day standby credit.

OFFICIAL STATISTICS

UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-March). Provisional figures of vehicle production (March). London clearing banks' monthly statement (mid-March).

COMPANY MEETINGS

Adams and Gibbon, County Hotel, Newcastle upon Tyne, 11. General Funds Investment Trust, Regis House, King William Street, EC, 12.30. Ladies Pride Outerwear, Allen House, Newarke Street, Leicester, 11.45. Lloyds Bank, 71 Lombard Street, EC, 3. Provident Finance Group, Norfolk Gardens Hotel, Hall Ings, Bradford, West Yorks., 12. Rhodesia Corporation, 25/35 City Road, EC, 12. Saint Andrew Trust, 29 Charlotte Square, Edinburgh, 12.30.

COMPANY RESULTS

Final dividends: The Associated Biscuit Manufacturers. The Alva Investment Trust. Aquascutum and Associated Companies. Aurora Holdings. Bousted. The Bowater Corporation. BPC. Brown and Jackson. Christies International. General and Commercial Investment Trust. General Investors and Trustees. Grampian Holdings. Greens Economiser Group. KCA International Ledbroke Group. Lead Industries Group. Minet Holdings. Royco Group. Selection Trust. Henry Sykes. Taylor Wodrow.

Interim dividends: Burgess Products (Holdings).

£13.6m underwriting loss for GRE: profits fall

POOR OPERATING results in France and Spain, together with a decline in profitability in the UK, were instrumental in underwriting results of Guardian Royal Exchange Assurance swinging from a profit of £4.8m to a loss of £13.6m in 1979.

Despite a 17 per cent rise in net investment income to £82.4£m, pre-tax profits declined from £83.3m to £75.8m.

However, a significantly lower tax charge of £33.3m, against £40.9m, meant an after-tax profit of £42.5m, compared with £42.4m. But higher minority interests trimmed earnings to £40.8m (£41.3m).

A final dividend of 8.5p net lifts the total to 13.5p (11.6p). Earnings per 25p share are given as 32.4p, against 32.9p.

Net premiums for the year rose by 6.6 per cent from £620m to £661m. But exchange rate fluctuations reduced premium income by £33m and investment income by £7m.

Strong competition in France, following the removal of the industrial fire tariff, resulted in premium rates being slashed not only on that class of business but also on motor rates as insurance companies scrambled for business. As a result, GRE lost £5m, against a small profit in 1978, on a premium income of around £15m.

Underwriting losses deepened in Spain, while Hurricane David cost £1.5m on West Indian business. The net result was that business in "other territories" turned round from a profit of £4.8m to a £6.9m loss, despite good results in Brazil, Kenya, Malaysia and South Africa.

UK results were not as bad as expected considering the effect of the severe weather in 1979 on other insurance composites. This cost GRE over £4m.

The motor account—the group is the second largest motor insurer in the UK—cost nearly £3m, reflecting rising numbers of claims and the VAT increase. The company also made a £3.5m provision for potential claims in respect of computer leasing. Yet it still managed to break-even, compared with a £5.4m profit in 1978.

The company showed a much improved position in Germany, its second largest operating territory, where the underwriting loss was trimmed from £8.6m to £5.4m.

But business in Canada deteriorated more than expected in the second half, leaving a loss of £1.9m, against a £800,000 profit. Business in the U.S. remained profitable, but at a lower level, while Australia showed a small loss.

The group's solvency margin at the year-end stood at 52½ per cent—a couple of points lower than at the end of 1978.

● comment

The market was disappointed with the patchy results of GRE, with pre-tax profits far lower than expected. Although it achieved a modest miracle in cutting losses in Germany and achieving a break-even position in the UK, it lost out heavily in France, Spain and Canada. The outlook for the current year does not look promising, with another patchy performance on line. The expected improvement in the UK, France and Spain is likely to be offset by worsening results in Australia, Canada, Germany and the U.S. The growth this year is going to come from rising investment income, which improved 17 per cent in 1979. The market took a similar view, marking down the price by 8p to 22p, for a yield of 9 per cent.

HIGHLIGHTS

It was another active day in the gilt-edged market yesterday with the Government broker supplying the short tap and prices generally firm. Lex looks at prospects here in the light of the latest wholesale price indicies and the expectations for the banking figures due out today. Elsewhere Lex analyses the 1979 reports of two giant multinationals, **BP** and **Philips**. BP faces pressures on downstream markets and is concerned about its shortage of crude oil. Philips is hoping that rationalisation will allow some recovery from last year's serious setback in the European colour TV market. Lex also discusses the results of **Croda International**, where margins continue to decline. On the inside pages two insurance companies report and there is a number of results that come in for comment. Also there is news from **Northern Engineering** which is buying 80 per cent of **Texan Power Machine** for $14.5m.

Life business boosts Pearl

THE STEADY expansion of life fund, a greater release of unrealised capital appreciation and an improvement of over 1 percentage point on the yield, sent the life branch surplus of the **Pearl Assurance Company** soaring in 1979 by 24 per cent from £57.23m to £71.03m.

Of this, £63.11m (£50.18m) was allocated in policyholders' bonuses and £6.97m (£5.69m) transferred to the profit and loss account.

There was a transfer to profit of £1.45m from the general branch against £790,000 but a transfer out of £450,000 to marine, aviation and transport account. Stockholders investment and other income less expenses and taxation more than doubled from £200,000 to £490,000 so that the net available profit for the year amounted to £8.46m against £6.48m.

The company is recommending a final dividend of 12p net against 10.20343, making a total of 17p (14.05p), a gross equivalent of 24.28570p (20.32258p) — a rise of almost 20 per cent. The cost of the dividends is £6.14m (£5.08m).

The company's unit-linked life subsidiary, Pearl Assurance (Unit Funds) continued to make good progress in 1979 with the life fund rising from £8.7m to £24.1m. But because of the deferred recovery of tax on part of the expenses, it is not yet making a contribution to group profits.

Premium income in the general branch, excluding marine aviation and transport, rose by 14 per cent to £43.3m. But the severe weather last year sent the underwriting loss in the UK, which accounted for 93 per cent of the business, up from £2.69m to £3.96m, of which property insurance accounted for £2.33m and motor insurance nearly £1m.

Extreme weather conditions in the first and final quarters resulted in losses of £2.69m and £1.16m respectively.

The company's income is derived mainly from personal business and it is continuing to make premium and other adjustments to offset the effects of inflation.

The General Branch Reserve fund has been augmented in line with the growth in non-life premium income by a transfer of £1m from the profit and loss account.

The company has declared substantially higher bonus rates on both the ordinary and industrial branch contracts, following the improvement in life branch surplus.

On ordinary branch assurances and annuities, except pension business fund, the rate for policies taken out in 1974 or earlier is lifted by 95p to £5.80 per cent of the basic benefit, while for later contracts the rate is lifted by 30p to £4.50 per cent. On the pension business fund the rate for 1974 or earlier contracts is £1.20 higher at £7 per cent of the basic benefit, and up by 35p to £5.30 per cent for later contracts.

The terminal bonus on death or maturity claims from May 1, 1980, is £1.3 per cent of the benefit plus attaching bonuses for each year before 1977, against £1.2 per cent previously. On pension business fund the new rate is £1.8 per cent (£1.6 per cent).

Sharp interest lift hits Croda

A SIGNIFICANT rise in interest charges from £1.93m to £3.43m, arising from higher lending rates and an increase in working capital, resulted in 1979 pre-tax profits of **Croda International** falling by £0.38m to £14.74m. The second-half performance, however, at £7.11m, showed a £0.1m advance over the same period of 1978.

Full-year sales of the chemical processing group reached £267.2m (£234.1m); trading profits improved from £16.27m to £18.17m, struck last time before a surplus of £0.77m on dispsal of investments.

The modest improvement in trading profits shown in the first half continued during the second six months despite the problems of gelatin and other commodity chemicals. There were particularly good results from the organic chemicals and polymers activities and in most overseas companies.

Stated earnings per 10p share were 12.85p (10.76p) basic and 11.57p (9.67p) fully diluted.

The year's net dividend is lifted almost 27 per cent to 3.1p (2.446346p which included special 0.018058p on ACT reduction), but the directors point out that as a result of the uncertain outlook and high cost of borrowing, the increase is less than hoped for when the interim results were announced.

There was an extraordinary debit of £1.25m this time representing closure and rationalisation costs, mainly relating to gelatin operations in the food ingredients side.

	1979 £000	1978 £000
External sales	267,172	234,130
Trading profit	18,172	16,270
Invs. disposal surplus	—	774
Interest payable	3,430	1,927
Profit before tax	14,742	15,117
UK tax†	283	2,409
Overseas tax	1,451	1,374
Net profit	13,574	11,334
Minorities & pref. divs.	64	67
Exchange losses	194	410
Extraord. debit	1,250	—
Available to ord.	12,066	10,857
Ord. dividends	3,276	2,565
Retained	8,790	8,292

† Capital allowances and stock relief eliminated any UK corporation tax charge.

See Lex

Peters Stores leaps 87% midway on property sales

DESPITE A sharp decline in retailing performance a £554,822 surplus on property sales enabled **Peters Stores** to lift first-half pre-tax total by 87 per cent from £413,796 to £771,575.

Mainly because of the increase in VAT retail profit fell to £216,935 on sales of £4.51m (£3.56m) for the 26 weeks to December 29, 1979. There was no surplus on property for the first six months last time but a £181,552 gain was shown for the full year.

Retail sales have remained sluggish although the trend is improving. However the property division is now actively involved in developing retail shopping and Mr. J. P. Gould, the chairman, says that group profit for the current year should comfortably exceed the record £573,836 reported for 1978-79.

Stated earnings per 10p share for the half-year were more than doubled to 15.8p (6.3p) and the net interim dividend is stepped up to 1.5p (1p)—a total of 3p was paid last time.

Mr. Gould says that one of the property division's present developments is at Berwick upon Tweed where a prime site of some 4,000 sq ft has been pre-let to the British Shoe Corporation and will be income producing in the latter part of 1980. Several other developments are planned for next year which should further boost profitability.

Tax for the six months took £265,300 (£210,000) leaving a net balance of £506,457 (£203,796). Shareholders funds at halftime were £5.44m (£5m at year-end).

Startrite rises at halfway

DESPITE SHARPLY increased interest charges of £83,293 against £48,979, taxable profits of Startrite Engineering Group rose from £240,370 to £288,430 in the half year to December 31, 1979.

Although the first half has been successful, say the directors, the problems which face the manufacturing side still cause concern. The group manufactures and markets bandsaws and other machine tools, factors complementary machines and equipment and designs and manufactures special purpose equipment, mainly for the aerospace and electronic industries.

Turnover in the six months advanced from £2.56m to £3.1m and after tax of £161,000 (£134,000) there is a net surplus of £127,430 (£106,370).

The interim dividend is 0.88p net, compared with an equivalent 0.8p. Last year's adjusted total was 2.25p, paid from pre-tax profits of £681,474.

The results of the overseas subsidiary are not included in the half-year figures because they are not yet available and the directors do not consider them significant.

W. N. Sharpe to lift level of spending

CAPITAL SPENDING at W. N. Sharpe will be at a high level over the next five years. Some of greeting card manufacturer's most costly production plant is becoming due for replacement and a major building project may become desirable if market conditions warrant it, says Mr. Norman Sharpe, the chairman.

He points out, however, that the company has a strong liquid position because its capital spending has been below normal for several years. Therefore, the increase in spending will not strain resources.

As to prospects he takes a cautious view of the current year: "We are clearly entering a period when growth in profits, at least in real terms, is going to be more difficult to achieve."

As reported March 7, taxable profit for 1979 rose from £3.7m to £4.39m on sales up from £10.59m to £13.25m, and net dividend is raised to 6p (4.64825p).

On a current cost basis along the Hyde Guidelines profit was reduced to £2.97m by £549,000 additional depreciation, £383,000 extra cost of sales and a £485,000 gearing adjustment.

At year end cash and short term deposits were up from £0.33m to £1.18m and net current assets were £5.7m (£4.03m). Capital spending commitments at December 31 amounted to £108,426 (£39,766) of which £65,000 (nil) had been authorised but not contracted.

Meeting, Bradford, on April 24 at noon.

RESULTS IN BRIEF

DUFAY BITUMASTIC (manufacture and application of surface coatings)—Results for 1979, and prospects, reported on March 26. Group fixed asets £3.81m (£3.93m). Net current assets £3.83m (£3.45m). Secured bank overdrafts £1.04m (£448,941). Net increase in working capital £135,000 (£1.37m). Chairman says rise in bank borrowings of some £600,000 mainly due to increase in stocks and work in progress to £4.3m (£3.59m). Meeting, Winchester House, EC, on April 25 at noon.

LONDON INTERCONTINENTAL TRUST—Results for year ended September 30, 1979, already known. Investments £30,232 (£77,239), net current assets £11,587 (£25,019 liabilities). Meeting, Hill House, EC, April 30, noon.

BURMA MINES (investment trust)—Dividend 0.625p net (nil) for 1979. Revenue £121,753 (£5,917) before tax £37,040 (£6,514). Earnings per 10p share 0.626p. Net asset value 11.9p (11.6p) and at April 4, 1980, 13.45p—excluding Burma claim.

Fothergill and Harvey reaches best-ever £2m

IN LINE with the confidence expressed by the Board at the interim stage; record profits for 1979 are reported by Fothergill and Harvey, fluorocarbon products, fibre reinforced composites and industrial synthetic fibre textiles group.

Following the first-half increase from £0.78m to £0.93m, taxable profits reached £2.03m at the year-end, against £1.64m, on turnover up from £14.74m to £17.77m.

Earnings per 25p share are given as 24.65p (24.09p) before tax, and as 19.74p (17.8p) after. The dividend total is raised 12 per cent from 6.9359p to 7.75p net, with a final of 5p.

There was an extraordinary charge of £101,000 reflecting the transaction involving the receipt of a 40 per cent interest in a newly formed company, Oak-Fothergill Inc., as consideration for the sale of the U.S. business in advanced composities.

	1979 £000	1978 £000
Turnover	17,765	14,737
Trading profit	2,657	2,133
Depreciation	459	329
Profit-sharing scheme	63	—
Interest payable	109	165
Profit before tax	2,026	1,639
Taxation	406	428
Net profit after tax	1,620	1,211
Minority interest	10	2
Extraord. debit	101	—
Available	1,731	1,213
Dividends	641	519
Retained	1,090	694

● comment

Fothergill and Harvey continues to prosper with its line of specialised products, mostly for the intermediate stage of production. After an interim rise of one fifth, the second half evinced pre-tax earnings growth of 27.8 per cent. The company's largest division is industrial textiles, accounting for more than half of group turnover. This part of the business improved significantly more in specialised textiles than the standard range. With its rights issue money from 1978 and a strong cash flow, Fothergill and Harvey was in the happy condition of having reduced interest charges (down a third). The total net dividend is up almost 12 per cent, yielding 11.4 per cent at 102p, up 2p. On an actual tax charge of 20 per cent the p/e comes to 4.9.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ash and Lacy	6	May 31	3.89	11.5	7.39
Blackwood Hodge	1.5	—	1.17*	2.5	2.05*
Burma Mines	0.63	May 29	Nil	0.63	Nil
Cedar Inv. Tst.	1.5	June 2	1.1	—	3.35
Croda Intnl.	1.6	July 7	1.35	3.1	2.45§
Danish Bacon	3.5	July 1	3.56	7.5	6.69
James Dickie	2.44	—	2.44	4.88	4.91‡
Dreamland	1.7	July 7	0.97	2.4	1.42
Empire Stores	2.7	July 1	2.42*	5.1	4.49*
Ferry Pickering ......int.	1	May 15	0.69*	—	2.2*
Fothergill and Harvey	5	—	4.44	7.75	6.94
Gill and Duffus	4	July 1	2.56	7	4.98
Greenbank	0.74	May 23	0.55*	1.34	1.07*
GRE Assurance	8.5	June 5	6.94	13.5	11.6
Helene of London	1.11	—	1.01	1.48	1.34
S. Jerome	2.68	May 28	2.55	3.2	3.05
Edward Le Bas	0.96	June 11	0.83	1.93	1.84
N. Atlantic Secs. ...int.	1.75	May 29	1.2	—	3.75
Pearl Assurance	12	June 11	10.2	17	14.05
Peters Stores ......int.	1.5	June 2	1	—	3
Ruberoid	2.15	May 9	1.71	3.1	2.48
Startrite Eng. ......int.	0.88	May 23	0.8*	—	2.25*
Triplevest	3.09	April 30	2.49	7.21¶	4.94

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Included 0.033p compensation for tax reduction. § Included 0.018058p on tax reduction. ¶ Includes 0.9401p non-recurring payment.

Mercantile Credit at £44.9m for 15-month period

PRE-TAX profits of Mercantile Credit Company, a member of the Barclays Bank Group, were £44.88m for the 15 months ended December 31, 1979, compared with £32.86m for the previous year. Result includes a credit, down from £3.1m to £1.9m, from exceptional provisions, made in earlier years, against he property portfolio.

Mr. A. Victor Adey, chairman, says in his annual statement, that the profit improvement is attributed to a rise in customers' and other accounts, from £473.2m to £680.5m, and an expansion in the book value of assets out on hire or lease, from £341.5m to £578.6m.

With SSAP 15 applied there is a tax credit of £67m for 15 months (£36.8m), and after minorities, and an extraordinary credit of £3.61m for the period, the attributable profit came out at £114.54m compared with £66.26m.

Dividends take £15m (£5m), the remaining balance of £99.54m (£61.26m) going to reserves.

Mr. Adey warned that the high level of consumer spending in 1979 might not be maintained: "A fall-off in demand was evident in the last quarter and there are signs that this may be persisting."

On the industrial front the company increased its share of the leasing market despite strong competition not only from other finance houses and lessors, but also from banks offering medium-term loan facilities.

As at December 31, 1979, the original cost of leased equipment on the company's books was £833m, against £512m at September 30, 1978. The current year has started with a high level of firm forward commitments for leasing at a record £161m, the chairman says.

Mr. Adey states that prospects for car leasing remain good, and the market is developing again after a downturn last June, when a change in legislation withdrew 100 per cent first-year allowances.

As to the future, the chairman feels that a combination of high interest rates, and reduced demand, both in terms of consumer spending and industrial investment, makes the short-term prospects somewhat uncertain.

"Business confidence will be rebuilt but clearly the economy is in for a long haul before we can look forward to any significant improvement," he says.

Balance sheet shows total funds, as at December 31, of £1.22bn (£805m at September 30, 1978). Deposit, current and other accounts totalled £388.1m (£149.9m) and net borrowings were £818.9m (£549.8m). Reserves increased from £145m to £244.3m.

SPAIN

April 9	Price %	+ or −
Banco Bilbao	228	+3
Banco Central	250	
Banco Exterior	206	
Banco Hispano	226	
Banco Ind. Cat.	128	−2
Banco Madrid	154	
Banco Santander	260	
Banco Urquijo	156	
Banco Vizcaya	232	
Banco Zaragoza	208	
Dragados	100	
Espanola Zinc	62	
Fecsa	58.7	+0.2
Gal. Preciados	29.5	−0.5
Hidrola	64.5	+0.3
Iberduero	58.5	+0.5
Petroleos	109.7	+0.2
Petroliber	59	
Sogefisa	107	
Telefonica	54	
Union Elect.	62	−0.7

Dreamland up by £340,000

REFLECTING the continued expansion of its share of the UK market, taxable profits of Dreamland Electrical Appliances rose from £1.16m to a record £1.5m in 1979.

The net dividend is lifted from 1.4187p to 2.4p with a final of 1.7p and the directors are proposing a one-for-one scrip issue.

The surplus would have improved even more, they state, but for considerable and unexpected increases in raw material costs during the final quarter. These could not be fully recouped by increased selling prices and, as a result, there was some contraction in profit margins during this period.

Nevertheless, they forecast further significant steps forward in the growth of sales and profits in the current year.

Sales during 1979 advanced from £8.32m to £10.6m, with exports increasing by 46 per cent to £1.29m. The group can now claim 55 per cent of the UK electric blanket market, say the directors.

Profits include a non-trading credit of £72,000 (£11,000 debit). After tax of £667,000 (£569,000), stated earnings per 10p share are up from 5.464p to 7.751p. An amount of £574,000 is retained against £441,000.

Awareness of the new fire *detection* equipment *subsidiary*, Alarmline, grew rapidly in 1979, say the directors, and it has a most encouraging order book and tender list.

• comment

Nationally electric blanket sales showed a 10 per cent volume increase in over-blankets and a 5 per cent gain for under-blankets. Dreamland did better; its market share rose 4 points to 55 per cent. But the UK market must be getting fairly near to maturity and Europe is the real area for expansion. Dreamland opened up a French sales office last year and the jump in exports in the latest figures is probably the start of a significant drive overseas. Alarmline is the only diversification move so far—a fire detection appliance. Started in 1976 Dreamland has put in £½m and last year it finally broke-even while this year might see a profit. In the future the company sees itself developing domestic energy control equipment as a move away from its dependence on blankets. The four-year plan is for a 60 per cent increase in group sales, helped by a big increase in exports, though margins may see some pressure. The shares at 59p, where the p/e on stated earnings is 7.4 and the yield is 6 per cent, look fair enough but there is unlikely to be much excitement if only because of the dependence on the stable blanket market.

S. Jerome down to £405,000

1979 TURNOVER at S. Jerome and Sons (Holdings) was little changed at £8.25m, against £8.21m, but pre-tax profits of this spinner and manufacturer of worsted fabrics fell from a best-ever £617,000 to £405,00.

As anticipated at the interim stage, second-half profits showed a reduction on the same period of 1978 with a drop from £306,464 to £228,540.

Tax charge for the year was lower at £93,000 (£312,000) giving a net surplus marginally improved from £305,000 to £312,000. Of this figure, some £25,000 related to the contribution from Davis Safety Controls in the three months since its acquisition.

This company has substantially more orders for the first quarter of the current year than for the same period last year.

Earnings per 25p share are shown at 9.2p (9.1p) and the dividend total is raised from 3.0547p to 3.2p net, with a final of 2.675p.

At balance date, credit bank balance and short term investments were £309,000 (£377,000).

Blackwood Hodge down £5.6m at pre-tax level

HIGHER INTEREST charges, a reduction in profits from the Nigerian company, and an exceptional charge for Hydrocon Engineering, has left taxable profits of Blackwood Hodge, earthmoving equipment, sales and service group, well down at £10.88m for 1979, against £16.43m. Sales moved ahead from £246.4m to £281.6m.

Comparative results have been restated as if Blackwood Hodge (Nigeria) was an associate—share of profits for the six months to June 30, 1979, was £291,000, its first contribution as an associate, the figure for the whole of 1978 given as £2.61m.

The directors say that the re*duction was due to the inclusion* of only six months figures, the difficult trading conditions in that country, and the change of status from subsidiary to an associate.

The exceptional item comprised of a £1.65m provision for certain stock losses and other costs after Hydrocon Engineering went into receivership.

Group trading profit for 1979 was ahead at £22.68m against £21.97m, but was subject to a £2.29m increase in interest to £10.44m.

The directors say that although results were disappointing order intake was at a record *level and has continued to be* good in the early months of the current year.

The group has increased its market penetration in many areas, and directors are confident of this continuing.

They are looking for an improvement in trading profits for 1980.

	1979 £000	†1978 £000
Sales	281,648	246,527
UK	85,836	82,248
Europe	54,887	43,460
Africa	41,713	32,670
Australia	38,571	35,140
Asia	8,279	2,379
North America	52,362	50,530
Trading profit	22,679	21,969
UK	7,557	10,418
Europe	2,000	1,062
Africa	3,919	4,485
Australia	3,068	1,295
Asia	799	425
North America	5,336	4,284
Interest	10,442	8,154
Nigerian assoc.' share	291	2,614
Exceptional debit	1,650	—
Profits before tax	10,878	16,429
Tax	4,661	8,728
Net profit	6,217	7,701
Minorities	379	354
Deferred tax release	1,030	3,000
Extraord. debit	1,881	2,383
Attributable	4,987	7,754
Dividends	2,075	1,605
Retained	2,912	6,159

† Restated.

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In the UK sales showed only a small increase due to industrial disputes in the engineering, open cast coal mining and road transport industries, together with a loss of indirect export business. Trading profits fell sub*stantially due to reduced profit* margins.

Earnings per 25p share are shown as 7.24p (9.93p) basic and 6.8p (9.19p) fully diluted, and the dividend is effectively increased to 2.5p (2.0546p) net with a final payment of 1.5p.

• comment

At 38p, down 2p, Blackwood Hodge shares are changing hands at less than half net asset value, on a p/e slightly over 5 on fully-diluted stated earnings with a 42 per cent tax charge. The market is evidsntly unexcited, despite the near 10 per cent yield. The discount-to-assets might eb expected to provoke some speculative froth: but over a third of the orddinary shares are comfortably settled in family trusts. The year's main feature has plainly been Nigerianisation — though with second-half figures still not in from BH Nigeria, there is little to add to the interim story. With a better second half expected there, it looks as though he outcome will leave BH with 40 per cent of £1m instead of 1978's 60 per cent of £5m. UK margins tightened four points to 8 per cent—strikes in haulage, engineering, and open-cast mining all hit during the year. BH has inreased the total dividend by 22 per cent—roughly the same amount by which profits after tax fell. But it has less to fear than many companies from CCA, *which knocked 1978 retained pro*fits by an unembarrassing 16 per cent.

Second half increase leaves Ash & Lacy ahead by 36%

A SECOND-HALF rise from £1.03m to £1.49m has left the taxable surplus of Ash and Lacy, metal stockholder and perforator, ahead by 36 per cent for 1979 at £2.59m against £1.9m.

And the dividend is stepped up to 11.5p (7.3857p) net per 25p share with a final payment of 6p.

The group has made a good start in the first quarter of the current year, and directors say that high interest rates should produce increased income from the substantial cash balances.

They add, however, that the steel strike is likely to have a material effect on second-quarter results, and warn that some of the sectors in which the group operates, could face difficulties over the next six months.

Turnover for the year was down from £30.2m to £26.68m as a result of the elimination of unprofitable sales from the Smethwick and Tonbridge warehouses, now closed.

Earnings per share are shown as 43.7p (33.5p).

Profits were struck after depreciation of £595,000 (£502,000), and included income, less interest payable, of £28,000 (£178,000 debit). Tax took £778,000 (£539,000) and the attributable balance came out over £1m ahead at £2.29m (£1.26m), after an extraordinary credit of £482,000 (£101,000 debit).

The extraordinary items for 1979 included a profit, before tax, of £398,000 on the disposal of premises at Tonbridge, Wolverhampton and Smethwick, and a £167,000 surplus (£243,000 debit) arising on the closure of the Smethwick and Tonbridge warehouses.

After the cost of dividends totalling £479,00, against £301,000 the amount retained was £1.81m (£960,000).

• comment

Ash and Lacy claims no more than good luck in the timing of the closure of its two steel stockholding subsidiaries in late 1978. But elimination of the around £200,000 annual losses from stockholding plus the income from investing the first instalment of the disposal proceeds accounted for more than half the 37 per cent pre-tax increase last year. The benefit will continue this year as full payment on the disposals will boost liquid assets, net of debt, to more than £2m; The company has no plans yet for reinvestment. The steel strike is expected to upset customer schedules in the second quarter, notably those which buy the company's galvanised sheet, perforated metal and roofing materials. The strike has also set back the loading of the company's own new galvanising plant at Telford, pushing normal operation back to the second half. The yield of 9.4 per cent and fully taxed p/e of 5.8 offer reasonable support and although a CCA adjustment would knock 31 per cent of historic pre-tax profits the dividend is still reasonably covered.

Helene profits pass £1.7m

SECOND-HALF profits of Helene of London rose from £905,292 to £978,694 and the pre-tax surplus for 1979 went ahead from £146m to £1.71m

Turnover of the manufacturer of fashion and leisure wear increased by £1.66m to £14.58m.

The net total dividend is raised from 1.34p to 1.48p, with a final of 1.11p. Earnings per 10p share are given as 5.5p (5.4p).

After tax of £867,225 (£780,789), and minorities, the attributable balance emerged ahead from £683,933 to £815,843.

• comment

Helene's 17 per cent profits rise is impressive considering the *parlous trading conditions* in the UK fashion clothing industry. Unlike most other manufacturing companies Helene contracts out its entire production and the company manufactures only to order. Consequently it has fewer overheads and virtually no stock to finance for any length of time. In addition, margins were helped by lower production costs, mainly as a result of more beneficial cloth prices. Current orders, however, are no better than a year ago so it is going to be difficult to maintain the profits momentum. Against this, there is around £1m in the balance sheet to give plenty of scope for *further acquisitions* and/or investment income. Considering Helen's excellent record the shares have a somewhat low rating for a "rag trade" company, selling on a p/e of 4.4 at 25½p while the yield is 8.7 per cent.

Midland News turns in £2.65m profit

Profits of the Midland News Association for 1979 were £2.65m, before tax of £1.18m. In the previous year, the surplus reached £3.49m and there was a tax charge of £1.72m.

The results are not directly comparable following the reconstruction of the group and the transfer of interests in certain former subsidiaries to the new holding company — Claverley Company.

Dividends on the restricted £1 voting shares are kept at 8.75p, but are increased from 19.201p to 27.25p on the non-voting £1 shares and from 0.698775p to 0.9p on the "A" ordinary 5p shares.

The company has close status.

Copson ahead at halfway

The directors of F. Copson are looking for at least maintained profits for the year ending April 30, 1980.

For the first half profits have moved up from £75,116 to £102,786, on turnover of £3.12m (£2.82m). In the year 1978-79 profits reached £198,000 and a single dividend of 1p was paid.

*The half-year profits were sub*ject to tax of £53,449 (£39,060).

Copson and its subsidiaries supply heating equipment and builders' materials.

Alfred Walter recovers at midway

A turnround from losses of £2,500 to a profit of £5,000 is reported by Alfred Walker and Son, building contractor and property developer, for the six months to October 31, 1979, despite a fall in turnover from £1.65m to £1.41m.

Although the figures show an improvement, say the directors, high interest charges and an inadequate supply of mortgages for housee buyers, together with general constraints imposed by the Budget, are bound to affect the full-year results. Last year, there was a profit before tax of £37,000 (£49,000 loss).

There is again no tax charge for the six months.

Comparative figures have been adjusted to exclude the results of AW Construction, which was sold in July 1979.

Empire Stores rises but warns on current period

TAXABLE PROFITS of Empire Stores (Bradford), the mail order concern, rose by 12.5 per cent to £9.12m in the year to January 26, 1980, on sales, excluding VAT, 23 per cent higher at £134.25m. But Mr. J. Gratwick, chairman, warns of the likelihood of a reduced first-half surplus in the current year.

Trading profits increased by 21 per cent to £10.13m in 1979-80, but interest soared to £1.03m (£0.4m). The directors said at midway—when profits totalled £3.49m (£2.95m)—that interest charges would be a significant feature in the second half.

The chairman now says that although the initial reaction to the 1980 spring/summer catalogue was satisfactory, demand has been adversely affected by the general economic situation and industrial unrest in some areas.

First-half sales will be lower than originally expected unless there is a significant upturn in consumer spending in the weeks ahead, he adds. This, together with substantial increases on postal services and interest payable, is likely to produce reduced first-half profits.

He hopes some improvement in trading conditions will be evident in the second half and, if this materialises, he expects that any shortfall in the first six months will be recovered during the rest of the year.

The net total dividend is effectively raised from 4.4895583p to 5.1p, with a final of 2.7p. Stated earnings per 25p share are ahead from 13.09p to 15.2p.

After tax of £4.16m (£3.84m) on an SSAP 15 basis, the available balance came through at £4.96m, against £4.27m.

● comment

Empire's full-year results compare favourably with other mail order companies. Unlike Freeman, for example, Empire does not appear to have been caught with high fashion stocks. The 12½ per cent pre-tax profits rise was at the top end of market expectations but the shares eased 2p to 148p yesterday on the cautious statement. Clearly the higher posal charges and increased level of debt are going to inhibit growth in the short term. The company has recently emerged from a difficult period with a sound infra-structure, so it is well placed to ride out these problems. This is a sentiment reflected in the p/e of 9.6 (after the published rate of tax) and yield of 5 per cent; a premium rating for a mail order company.

Increase at Ferry Pickering

PRE-TAX profits of Ferry Pickering Group, the printing, packaging and publishing concern, advanced from £607,000 to £746,000 in the six months to December 31, 1979, on increased sales of £4.08m, against £3.33m.

Mr. G. F. Coe, chairman, says that while the order position was not as buoyant towards the end of 1979, this has improved by new products development. He expects a maintained performance in the second half.

The net interim dividend is effectively equivalent to 2.2p was paid from record taxable profits of £1.31m.

After tax of £388,000, against £316,000, half-year earnings per 10p share are shown to have risen to 4.186p (3.404p).

Ruberoid's 61% jump: starts well this year

A JUMP in the second half from £653,642 to £1.22m helped push up taxable profits of Ruberoid by 61 per cent to a record £1.78m in 1979. This compares with £1.1m previously.

Mr. Thomas Kenny, chairman, says the group has made a good start to the current year. Profits for the first three months are ahead of 1979.

Sales of the building products, specialist sub-contracting, paper and plastics group rose by 13 per cent to £36.65m in the year under review.

However, the chairman points out that the fire at the paper mill in March, 1979, and consequent loss of sales income distorts a comparison of group turnover. The company received £1.4m insurance compensation for loss of profits.

The net total dividend is raised by 25 per cent to 3.1p (2.4831p), with a final of 2.15p. After tax of £949,342 (£503,889), stated earnings per 25p share are 38 per cent higher at 7.99p, against 5.78p.

Group cash balances were up from £1.3m to £1.6m at the year-end. Net current assets showed an improvement from £3.5m to nearly £4.2m.

Gill & Duffus over forecast

ON TURNOVER of £711m against £706m, taxable profits for 1979 of Gill and Duffus Group, commodity broker, merchant and processor, came out £0.55m ahead of last October's forecast, at £20.55m, but were £2.15m lower than the previous year's figure.

Mr. T. P. H. Aitken, chairman, says the current year has started well, and if there is further inflation or worldwide recession, the company's strength is such as to give reason for confidence.

	1979 £000	1978 £000
Turnover	711,000	706,000
Pre-tax profits	20,555	22,702
Tax	8,967	11,689
Provision†	6,521	4,710
Making	18,109	15,743
Minorities	358	79
Attributable	17,751	15,664
Pref. dividend	9	9
Ord. dividend	4,678	3,190
Retained	13,064	12,465

† For deferred tax no longer required.

After tax of £8.97m compared with £11.67m, and a £6.52m (£4.71m) provision for deferred tax no longer required, profit emerged ahead at £18.11m against £15.74m — a net balance of £16.75m was forecast—enabling directors to recommend a higher final dividend than the 3.75p indicated in October.

From stated earnings of 17.1p (£16.7p) the final is 4p net per 25p share, lifting the total to 7p (£4.979p).

"This result, while breaking no records, is a good solid performance in what proved to be a year of difficult trading conditions," states Mr. Aitken.

At December 31, shareholders' funds amounted to £69.12m (£58.5m).

● comment

A 5p rise to 132p in the Gill and Duffus share price owes more to the increased dividend and the deferred tax release than the immediate trading outlook. The distribution has been raised by almost 38 per cent at the gross level and attributable earnings have increased by over 13 per cent despite the pre-tax shortfall. Against that, cocoa dealers are predicting a surplus for the third successive year which, since cocoa trading probably accounts for over half group income, suggests something of a hiatus before an enviable growth record can be resumed. A breakdown of profits from each commodity source is hard to come by but analysts calculate that cocoa may have been down by about £5m last year. The chemical feedstock operation contributed over £1m against little or nothing in the previous year and past losses in sugar have been eliminated. The coffee market was probably more favourable in 1979 while rubber trading has provided a useful filip to the start of the current year. The market will be looking to the new management team to reinvigorate a diversification effort which, by and large, has so far been more successful in brokerage than physical trading. As a cash rich trader, Gill and Duffus would be a tempting take-over target and is not short of purchase options itself but, for the moment, the yield of 7.8 per cent and a fully taxed p/e of 8.8 indicate full value.

Oil and gas to be given less emphasis in BP's spending

AN INCREASING proportion of the British Petroleum Company's future investment, research and enterprise will be directed to activities additional to oil and gas, Sir David Steel, the chairman says.

He tells members that though the company's policy is to develop whatever suitable opportunities it can in oil and gas, the extended activities will be mainly connected with the production and use of energy and other natural resources.

Looking ahead Sir David says he is confident BP is well equipped to enter the '80s both in terms of its personnel and its strong position in energy and technology.

On a general note he points out that for the benefits of the North Sea to be fully realised and prolonged into the 1990s, the Government must provide the access to exploration licences and the fiscal stability on which continued industrial activity depends.

Oil will increasingly be a high value commodity mainly used for petrochemical feedstock and transport, and refinery capacity must be rationalised and adapted to provide a greater proportion of products for these purposes, the chairman says.

The group increased capital spending in 1979 from £1.29bn to £1.73bn including acquisitions. Authorised future capital spending is estimated at £3,460bn (£3,300) including £725m (£760m) for which contracts have been placed.

As reported on March 14, BP's gross revenue rose from £17.78bn to £23.03bn and its net income from £444m to £1.62bn. The net dividend total is increased from 6.359p to 17.5p a 25p share.

As far as the company's crude oil supplies during the year were concerned, the resumption of some exports from Iran in the spring was largely offset by the loss of availability from Nigeria.

The chairman says that over the year the company changed from being a major seller of crude oil to other refiners to being one which must buy in the market a large part of the crude oil which it requires to supply products to its customers.

It has so far been able to make this transition without adverse financial consequences partly because of improved margins on the sales and partly as a result of the continued successful development of its Alaskan and North Sea interests.

An analysis of net sales and capital expenditure by activity shows in £m: petroleum £16,713 and £1,344 (£13,377 and £899); chemical £1,423 and 137 (£911 and £351); coal £357 and 144 (£92 and £33); other £260 and £106 (£199 and £9); less sales between activities £510 (£301).

A similar analysis by geographical area shows in £m: UK £3,678 and £509 (£2,707 and £436); rest of Europe £8,116 and £588 (£4,567 and £387); Middle East and Africa £1,016 and £82 (£349 and £82); the Americas £4,168 and £366 (£3,095 and £325); Australasia and the Far East £1,070 and £186 (£748 and £62); International £6,249 and nil (£6,310 and nil); less sales between areas £6,054 (£3,998).

At year-end net current assets stood at 3.41bn (£2.31bn) and liquidity was up £224.4m (£319m). Finance debts amounted to £3.68bn (£4.18bn).

Over the year the chairman's pay was increased from £105,804 to £120,385.

Meeting, Britannic House, Moor Lane, EC, on May 8 at 11.30 am.

Triplevest up by £545,000

Revenue of Triplevest climbed from £1,186,000 to £1,731,000 for the year to February 28, 1980, after tax of £865,075 (£681,055).

Net asset value at year end was up 48.5p at 401p per 50p income share and the net total dividend is stepped up by a 3.095p final from 4.941p to 7.2111p including a 0.9401p non-recurring payment.

EDINBURGH SECURITIES

Edinburgh Securities Co. announces that applications have been received in respect of 1.2m shares, representing 99.34 per cent, in response to the recent rights issue.

Edward Le Bas suffers in second six months

A RECESSION in the civil engineering industry and sharply increased finance costs combined to reduce taxable profits of Edward Le Bas to £246.575 in 1979 compared with £639,333. The second-half surplus fell from £386,333 to £40,575.

Although trading in the first three months of 1980 has shown an improvement on the corresponding period last year, the directors say conditions generally have shown no change. The full-year outcome will depend on interest and exchange rates as well as the general level of economic activity.

Group turnover rose from £15.41m to £16.54m in 1979, and the profit is struck after finance and other costs of £317,000 (£187,000), and an associate's loss last time of £15,488. After a tax credit of £70,651 (£171,331 charge) minorities take £53,217 (£36,820) and there is an extraordinary credit of £1,570 (£334,075 debit).

The dividend is lifted from 1.844p to 1.926p net with a final of 0.963p and earnings per 25p share are shown as 10.11p (16.18p).

Subsidiary BSP International Foundations suffered a further decline in turnover of about £1m to £6.08m, resulting in a loss of £0.46m after reorganisation costs including redundancies.

Crosby Valve and Engineering Company increased its profits by £90,000 to £497,000 and the enlarged building products division turned round from a loss of £55,000 to a profit of £109,000. The foundry chemicals and agricultural engineering divisions also performed satisfactorily, with profits of £64,000 (£51,000) and £357,000 (£333,000) respectively.

Edward Le Bas is a subsidiary of IS and G Steel Stockholders, itself a subsidiary of Le Bas Investment Trust.

UK COMPANY NEWS

Greenbank slips to £2.01m

AFTER lifting midway taxable profits from £826,228 to £841,057, Greenbank Industrial Holdings, engineer and property developer, finished 1979 with a lower surplus of £2.09m against £2.28m. Turnover rose £0.82m to £11.93m.

The decline was due partly to the engineering strike, and partly to a pre-tax loss of £167,778 incurred by a subsidiary, Pipe Profiling Equipment, says the directors. They have decided not to retain the business of PPE and have provided £72,000 after tax to cover the estimated cost of running down or disposing of the subsidiary.

A final dividend of 0.74p lifts the net total to 1.34p, compared with an equivalent 1.068p last time.

The profit is struck after interest charges of £54,084 (£35,968) and depreciation, £198,392 (£148,536) and includes a profit on the sale of short-term investments of £70,206 (£1,261) as well as investment income of £182,714 (£196,275).

Tax takes £1.05m (£1.2m) and there are extraordinary debits of £93,144 (£24,506). Dividends absorb £327,256 (£247,182), leaving the retained surplus at £626,374 (£808,584).

Stated earnings per 10p share are 4.15p (4.28p).

Danish Bacon at £2m

TAXABLE PROFITS in the final 20 weeks of 1979 at Danish Bacon Company showed a fall of £0.1m compared with the same period of the previous year, but reflecting the upsurge reported at the interim stage, the company finished the year with £2.01m, against £1.04m. Turnover rose from £203m to £225.9m.

When reporting a £1.07m profits jump to £1.5m in the first 32 weeks, the directors said that while the remaining part of the year was unlikely to see a similar increase, they looked forward to a satisfactory year-end result.

After a tax charge of £39,000 (£233,000 credit), earnings per £1 share are shown doubled at 48p. A final dividend of 3.5p (3.56p) raises the net total from 6.687p to 7.5p.

DCM collapse leads to Gordon Procter break up

BY ALAN FRIEDMAN

Gordon Proctor and Partners, the advertising agency, has called in a receiver. The appointment of Mr. Stephen Adamson of Arthur Young McClelland Moore was effective as of Tuesday.

Mr. David Pallen, an assistant to the Receiver, said yesterday that the main problem which caused the firm to break up was the collapse of Dunbee-Combex-Marx in late February. When DCM, a major UK toymaker, was placed in the hands of a receiver, Gordon Proctor last about £250,000.

Continued debts and cash flow problems compounded the financial crisis and the agency recently began talks with other groups concerning a possible merger or take-over.

These talks are continuing. Mr. Pallen commented yesterday: "We are in discussion with other parties and are hoping to conclude something within the next few days."

Billings at Gordon Proctor came to around £10m last year. Some of the agency's clients include, Philips, Beefeater Gin, Nicholas Laboratories and Saudi Arabian Airlines.

Firmer ground for Oyez

The directors of the Solicitors' Law Stationery Society feel that a much firmer foundation for the future progress of the company has been created, says Mr. R. A. Hodges, chairman, in his annual statement.

Future results will begin better to reflect the great efforts made over the last two years, he adds.

Pre-tax profits fell to £491,162 (£795,921) in 1979, as reported on April 3. On a CCA basis, the taxable surplus was reduced to £232,902 (£648,785).

Fixed assets amounted to £4.33m (£4.45m) at the year-end, and net current assets totalled £0.86m (£1.33m). Net liquid funds decreased by £402,220, against £644,138.

Meeting, Savoy Hotel, on April 29 at noon.

James Dickie holds profit in second half

James Dickie (Drop Forgings) has almost arrested the declining rate in profits shown at the half way stage. And the directors are meeting their promise of a maintained dividend.

Second half profits were marginally lower at £124,645, to give £224,521 for the year ended October 31 1979, compared to £325,672. The year's turnover came to £4.03m (£3.89m).

After tax of £86,904 (£169,760) earnings per share are shown at 7.43p, against 8.42p. The final dividend is 2.438p for an unchanged total of 4.876p net, although last year holders received an additional 0.033p as compensation for tax reduction.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Burgess Products, Burton, LWT.

Finals—Alva Investment Trust, Aquascutum, Associated Biscuit Manufacturers, Aurora, Automotive Products, BPC, Bifurcated Engineering, Blantyre Tea, Bousted, Bowater, Brown and Jackson, Christies International, Finlay Packaging, Gaskell Broadloom, General and Commercial Investment Trust, General Investors and Trustees, Grampian Holdings, Green's Economiser, Hewden-Stuart Plant, KCA International, Ladbroke, Lead Industries, Minet, Royco, Selection Trust, Henry Sykes, Taylor Woodrow, Tilbury Contracting.

FUTURE DATES

Interims—	
McKechnie Brothers	Apr. 24
Messina (Transvaal) Develpmt.	May 14
Finals—	
Aberthaw and Bristol Channel Portland Cement	Apr. 15
Bentalls	Apr. 17
Berwick Timpo	Apr. 16
Bramall (C. D.)	Apr. 14
Brocks	Apr. 17
Bunzl Pulp and Paper	Apr. 29
De Vere Hotels and Restaurants	Apr. 17
England (J. E.)	Apr. 14
Highcroft Investment Trust	May 1
Industrial and General Trust	May 15
Laird Group	May 3
Laporte Industries	Apr. 23
Lec Refrigeration	Apr. 17
Lilleshall	Apr. 22
Mill (F.) (Textiles)	Apr. 11
News International	Apr. 15
North (M. F.)	Apr. 22
Northern Engineering Inds.	Apr. 17
Portals	Apr. 16
Rowntree Mackintosh	Apr. 15
Silentnight	Apr. 22
Sindall (William)	Apr. 15
Steel Brothers	Apr. 22
Tharsis Sulphur and Copper	Apr. 16
Wood (Arthur)	Apr. 14

BIDS AND DEALS

NEI expands electronics side

Northern Engineering Industries' plan to diversify further into electronics took a further step yesterday with the announcement that the group has paid $14.5m (£6.7m) for the controlling interest in International Power Machines Corporation of Dallas, Texas.

IPM specialises in equipment for providing power supplies to computers and other systems vulnerable to fluctuations in mains electricity. In the year to November it had sales of $17.25m and pre-tax profits of $2.72m. Net assets were $2.6m.

NEI has bought 80 per cent of IPM. It intends to develop the U.S. concern further in what it regards as a major growth market.

Early in 1979 NEI bought Ferranti-Packard, a subsidiary of Ferranti, for £7.6m. That company, too, has a specialist electronics business in the U.S.

Before this latest acquisition, NEI's total turnover in electronics amounted to £20m. The company intends to develop this side as "a third leg" to match the turbine and boiler businesses which are its traditional fields of operation.

LPPG PROFITS JUMP £1.27M

Results of London and Provincial Poster Group, which is the subject of an agreed bid by Reed International, yesterday revealed an increase in pre-tax porfits from £3.04m to £4.31m for the year to December.

Details of the figures accompanied the offer document outlining Reed's proposals to absorb the 51.7 per cent of LPG not already owned. The formal offer, for 500p per share, now has an alternative under which shareholders can elect to receive a similar amount of unsecured variable rate loan notes repayable in 1985.

LPPG's turnover, which has already risen from £6.97m to £8.24m in the first half, rose £1.36m in the second half to £8.85m.

DIXOR-STRAND

The rescue package for Dixor-Strand was approved by shareholders yesterday.

Arrangements for subscription of £500,000 loan and equity capital have now been made and Mr. Martin Vincent and Mr. Sydney Lerner were appointed directors. All the existing directors have resigned with the exception of Mr. Norman Davis, who was appointed chairman.

SHARE STAKES

Yorkshire Fine Woollen Spinners—P. Sykes, director, has bought 7,500 shares, making holding 35,700. Edinburgh Woollen Mills has increased its holding to 115,500 shares (7.34 per cent).

Clarke Nickolls and Coombs—Bank of Scotland London nominees acquired 268,500 shares, making holding 668,500 (13.37 per cent). Baring Nominees have disposed of 268,500 shares, leaving holding 200,000 (4 per cent).

Two Sheraton directors in takeover bid

Mr. C. R. Freemantle and Mr. N. N. Tucker, two directors of Sheraton Securities International, together with others acting in concert, have paid £52,048 for 6,196,226 (77.4 per cent) of the company's ordinary shares, at 84p each.

In order to comply with the requirement of the City Panel, the English Association of American Bond and Share Holders will, on behalf of the purchasers, make an unconditional offer of 0.84p cash per share to acquire all the equity not already owned by the purchasers.

Mr. Freemantle and Mr. Tucker were appointed to the Sheraton board on October 5 last year.

BROWN & JACKSON ACQUISITION

Brown and Jackson has agreed to acquire 75 per cent of the capital of Robmar Holdings, whose major subsidiary is RBM (Cash Registers), is engaged in the distribution of the new generation of microchip electronic cash registers and related equipment.

Total consideration is £508,000 with £322,000 payable on completion and three further instalments of £62,000 payable on delivery of the June 30 1981, 1982 and 1983 account respectively, subject to warranties that the average pre-tax profits for the three years will not be less than £300 000 per annum.

Brown and Jackson and the vendors will enter into put and call options whereby Brown and Jackson may acquire the remaining shares after seven years.

FIRMIN PLANT PURCHASE

Firmin and Sons has acquired certain plant, machinery, dies and tooling relating to the button activities of Francis Summer Engineering for £150,000 cash.

NELSON DAVID

Nelson David has sold its Aberystwyth property, comprising a garage and a shop.

The cash consideration received amounts to £100,000 and compares with a book value of £66,000. The board plans to reinvest the proceeds within the motor business.

TRAFALGAR LEISURE

Trafalgar Leisure International has purchased the Kirby Group, which incorporates the Kirby's, Valliant, Jeffways and Wrens coach companies, and Kirby's and Jeffways Travel Service companies.

Upsurge at Esso SAF

BY TERRY DODSWORTH IN PARIS

ESSO SAF, the French subsidiary of the Exxon oil group, more than doubled net profits to FFr 199m ($44.2m) for 1979. The result included FFr 83m received in dividends from Esso Rep, the energy research and production affiliate, and was reached after a tax charge of FFr 324m.

The sharp upswing in profits was matched by a turnover increase of almost 30 per cent from FFr 12bn to FFr 14.9bn, achieved despite a fall in product sales from 17.3m tonnes to 17.1m tonnes. Esso is proposing to double its dividend to FFr 12 a share.

The company points out that its high level of tax last year was due to the new regulation on oil company profits which brings into their taxable account some of the increased value of their stocks which would not formerly have been charged.

Because of the big stock profits thrown up in the wake of the rapid escalation in oil prices, this regulation has been an important element in the rise in the tax off-take on French oil companies.

Moeller to lift dividend

THE DANISH A. P. Moeller shipping and industrial group proposes increasing its dividend from 12 per cent to 16 per cent after a rise in group primary operating profits last year from DKr 704m to DKr 1,024m ($168m). Net earnings rose from DKr 175m to DKr 425m.

The group's shipping partnership, which owns and operates most of the group's fleet of liner vessels and tankers, increased primary operating profits from DKr 623m to DKr 884m.

Timet purchase

Titanium Metals Corporation of America (Timet) has acquired 50 per cent of Titanium Metal and Alloys, the UK subsidiary of Amalgamated Metal Corporation. Timet and AMC intend to co-operate in the service and expansion of the European market for titanium products.

Export licences

LICENCES to export a 12th-century foundation charter of Westminster Abbey and a 16th-century French bedhead are to be withheld for three and two months respectively, to give UK public collections the opportunity to buy them.

The recommendations were made by the Reviewing Committee on the Export of Works of Art and accepted by Mr. Norman St. John-Stevas, Arts Minister.

£5m expansion

NATIONAL Supply Company (UK), supplier of oil industry equipment, plans a three-year expansion programme costing more than £5m at its Stockport works.

MINING NEWS

They found the silver lining

BY KENNETH MARSTON, MINING EDITOR

THE U.S.-based IU International conglomerate has realised a net profit of some $13m (£6.1m) from hedging operations in silver during the hectic market in the first quarter of this year. The company's wholly-owned Echo Bay Mines silver producer in Canada's Northwest Territories is expected to contribute about $28m in first quarter operating earnings.

Stating that as a matter of policy IU does not speculate in commodity markets, Mr. John Turbidy, executive vice president responsible for precious metals operations said: "From time to time we sell forward contracts in silver to protect the price of our silver inventories and near-term production."

He pointed out that with high interest rates and large silver margin requirements, hedging can be very costly. "When the silver market broke on March 27, we decided to bank our profit in cash and began at once to liquidate our forward contracts in an orderly fashion." "It was simply a unique opportunity to bank a profit."

Meanwhile, the Vancouver-based Placer Development, 32.7 per cent-owned by Noranda, expects to start production late this year from its new C$100m (£39.2m) Equity Silver Mines open-put operation in central British Columbia.

The new property will be capable of producing nearly 6m ounces of silver a year together with gold and copper by-products. Placer also expects to bring to production in early-1982 the Real de Angeles silver-lead-zinc mine in Mexico. The company has a 34 per cent stake in the latter project.

Of other developments, Placer is shortly to take a decision on a projected mid-1982 start-up for the 70 per cent-owned C$150m Adanac open-pit molybdenum mine in north-west British Columbia.

* * *

Kaiser Resources is receiving higher prices for its metallurgical coal. Under the agreement with the company's Japanese customers and partners the price of coal sold under the long-term contract was raised by $4.35 to $63.95 per long ton with effect from April 1. In ayear's time it will be lifted by a further $4.10.

Kaiser and its Japanese customers have agreed to shipments of 4.3m tons of metallurgical coal in the year to next March and a minimum of 4m tons in the following 12 months. The parties have also agreed to begin talks this year for an extension of the contract beyond 1985.

* * *

It is reported from Tokyo that British Columbia has ordered Japanese, U.S. and West German companies to halt their uranium prospecting operations in the Canadian province for the next seven years because of environmental reasons. Japan's Power Reactor and Nuclear Fuel Corporation, which started prospecting in the province in 1970, is to ask the BC Government to protect the rights to the Japanese company's areas.

GREAT EASTERN EMERALD MINE RIGHTS ISSUE

A new Australian hopeful for the London share market is the Melbourne-based Great Eastern Mines which has high hopes for its pending start of emerald production at the 50 per cent-owned Aga Khan mine at Poona, near Cue, in Western Australia. The shares are currently around 28p.

London institutions and investors are stated to be taking up a placement of 500,000 shares of 25 cents in Great Eastern at a price of 50 cents (25p) per share. The placing was arranged by London stockbrokers T. C. Coombs Borland.

Great Eastern plans a non-renounceable rights issue. Until the shares go ex-entitlement on April 23, holders of each share will be offered one new share at 25 cents (12½p) plus a free option to acquire a further share for 100 cents by June 30, 1982.

This issue will raise the number of shares in issue to 17m of which 3.88m will be unlisted vendors' shares. There will also be 8.5m listed options.

The Aga Khan emerald mine is to be put into commercial production within a few weeks, it is stated, and a feasibility study is to be issued shortly. The funds to be raised will also be used for exploration of the Roberg tungsten deposit in Queensland and the examination of diamond and uranium claims at Winning Pool in Western Australia.

NORTH AMERICAN NEWS

Xerox starts office machine outlets

BY IAN HARGREAVES IN NEW YORK

XEROX yesterday launched an attack on the small copier market in the U.S. by announcing plans to develop a chain of "supermarkets for the office."

At the same time, the company unveiled a new small copier, the Xerox 550, which will go on sale at $1,195, around half the price of Xerox's current cheapest model.

The first Xerox shop, which will sell non-Xerox products in the computing, calculator and dictating machine field, was opened yesterday in Dallas. It will be quickly followed by shops in six other cities, but Xerox said yesterday that it hoped eventually to provide retail outlets in the 200 major cities of the U.S. and possibly also in major European and Canadian cities.

Mr. Robert Reiser, president of the recently-formed Xerox retail markets division, said yesterday that the shop front approach to marketing would be grafted on to the company's existing approach of marketing direct to customers.

The approach, however, has proved too costly for selling to very small businesses and professional people, which constitute a very large market

This market has recently been heavily infiltrated by Japanese products.

Although Xerox's 50 machine, a single copy type, is not regarded as competitive with the more sophisticated Japanese smal copiers it is competitively priced.

Xerox also hopes to score over the competition by offering service back-up and advice on small office system planning of the type now available to large offices.

Teledyne starts year with advance

By Our Financial Staff

A GAIN of 6 per cent to $92m in earnings for the first quarter from Teledyne, the manufacturer of aero engines, machine tools and consumer products, indicates that the group is on line for year-end targets of share earnings of about $29 compared with $27.59 last year. Sales put on 11 per cent to $734.6m.

The net total for the quarter rose by about $15.2m or 90 cents a share as a result of equity accounting for certain investments of unconsolidated subsidiaries, compared with a rise of $10.9m or 65 cents a share in the same period of 1979. The net figure also incldes equity from unconsolidated subsidiaries of $39w1m in the current year and $38.4m in the 1979 period.

Wall Street analysts have predicted that growth at Teledyne will slow this year because of the expected recession in the UK. The company has never paid a cash dividend but pays annual stock dividends.

Higher sales at Dow Jones

By Our Financial Staff

FURTHER GAINS in both advertising and circulation revenue, especially at the Wall Street Journal, boosted earnings in the first quarter at Dow Jones. Total net rose from $10.7m to $11.9m, or from 69 cents a share to 77 cents, with revenue up from $98.2m to $120.3m.

This year's first quarter results include operations of Ashland Publishing, publisher of the Daily Independent, acquired in April.

Hilton Hotels sees strong gain

BEVERLY HILLS — Hilton Hotels Corporation expects to report a 33 per cent gain in net earnings per share for the first quarter, but the hotel operator does not expect this rate of growth ot continue for the rest of the year, said Mr. Barron Hilton, chairman and president.

The group expects to run into recessionary problems, including a decline in air travel, high fuel prices and possibly petrol shortages, predicted Mr. Hilton. The increased cost of money will cause the company to delay expansihons of the New York Hilton and San Francisco Hilton Hotels, he added.

There were too amny uncertainties to make a prediction for the full year 1980, but the performance for first quarter made it likely that 1980 earnings would top the 1979 profit of $90.4m or $3.43 a share, before property transactions.

Results for the opening quarter were "surprisingly strong." Mr. Hilton estimated that Hilton Hotels Corporation has earned about $26.7m or $1.00 a share for the first quarter, up from $19.6m or 75 cents a share a year earlier. Sales for the first quarter rose by about 9 per cent from $127m in the previous year.

The $1.00 a share for the first quarter is higher than most financial analysts had predicted. Many analysts expected the company to earn about 90 cents a share.

"We're happily surprised," Mr. Hilton said, adding—"Our gains came across the board in all our divisions."

For the first quarter, Hilton will report a $12m pre-tax gain on the previous year.

The company's more than 50 per cent-owned hotels, excluding its Las Vegas hotel-casinos, contributed $5m to the gain. Some $2m came from Hilton's Las Vegas hotel-casinos, $2m from its 22 per cent to 50 per cent owned properties, and $3m from "a swing in interest rates."

The first quarter earnings put Hilton "temporarily slightly over" the profit-margin guidelines set by President Carter.

However, Mr. Hilton expects that the company will be in compliance with the Government's profit margin guidelines as the recession takes hold and occupancy rates decline.

For the first three months, occupancy rates of Hilton hotels were flat—71 per cent both this year and last year. Occupancy rates for Hilton hotels, excluding Las Vegas, eased to 68 per cent for the quarter from 69 per cent a year ago. For Hilton's Las Vegas hotel-casinos they rose to 90 per cent for the quarter from 88 per cent a year earlier.

AP-DJ

Earnings setback at Whirlpool

BY OUR FINANCIAL STAFF

EARNINGS HAVE fallen in the first quarter at Whirlpool Corporation, which sells more than half its output of domestic washing machines, refrigerators and air conditioning equipment to Sears Roebuck. Share earnings have dipped from 73 cents to 62 cents, with total net down from $26.5m to $22.3m on sales down from $547.3m to $509.9m. For the full year, analysts have predicted share earnings of $2.60 against $3.06 last year.

Whirlpool said that unit shipments for the quarter equalled those for the comparable period but that demand softened during the latter part of the quarter.

Earnings, it said, were hurt by increased component costs and higher wages which were not offset by increases in selling prices.

The company has planned capital expenditures of about $34m for this year, but expects unit sales to decline, reflecting the expected slowdown in residential building and a fall in domestic appliance sales.

About 40 per cent of profits in 1979 came from refrigeration and air conditioning sales. However, for the medium term, it is thought likely that the association with Sears Roebuck and its strong brand name recognition will enhance trading prospects.

Commodore doubles turnover

BY OUR FINANCIAL STAFF

SALES have doubled in the third quarter at Commodore International, the computer systems and electronics manufacturer, spurred on by increased success of its PET microcomputer.

Net earnings for the quarter jumped from $1.5m or 45 cents a share to $3.9m or $1.14. Sales of $33.7m compared with $16.4m

For the nine-month period, earnings now stand at $10m or $2.95 against $4.5m or $1.40, with sales at $90m compared with $44.6m.

Brascan in Brazilian disposal deal

By Robert Gibbens in Montreal

BRASCAN, the Toronto holding company controlled by the interests of the brothers Peter and Edward Bronfman, has agreed with its growing subsidiary John Labatt to sell their joint 90 per cent interest in a Brazilian brewery to Brazilian interests for U.S.$45.5m.

The brewery is Cervejarias Reunidas Skol-Caracu S.A., and the buyer is Companhia Cervejaria Brahma of Brazil. The cash price is to be paid in two instalments, 40 per cent on closing of the deal, April 24, and the balance during 1980. The purchasing company is the largest brewer in Brazil.

Skol-Caracu operates seven breweries in Brazil with capacity of 3m hectolitres. The results in 1977 and 1978 were affected by construction cost overruns and by delayed start-ups of a major expansion. Although operation has improved, satisfactory performance is not expected for some time and major investment would have been required, Brascan said.

The disposal is the result of a review of Brascan's remaining Brazilian investments. Brascan intends to concentrate more on natural resources in Brazil. It recently sold an interest in a Brazilian commercial bank to the Bank of Montreal and two years ago received nearly U.S.$400m in compensation for the nationalisation of its Brazilian power utility.

Chrysler talks on debentures

By Our New York Staff

THE Chrysler Corporation's attempts to persuade its dealers and suppliers to purchase up to $400m in debentures to help the company through its financial crisis had not reached fruition when the offer formally expired on Tuesday evening.

The company said yesterday that discussions were still continuing with a number of potential investors. It could not say when an announcement about the level of take-up on the offer would be made.

The company also said that an announcement on its long and complicated negotiations with lenders on a financial rescue package, which should have been completed by the beginning of this month, could still be a few weeks away.

Celanese ahead in first quarter

By Our Financial Staff

CELENESE Corporation, the major synthetic fibres manufacturer, has pushed earnings ahead from $32m to $36m in the first quarter, despite widespread predictions that earnings per share would fall from $9.52 to around $8.10 at the year-end. Share earnings for the quarter are $2.39 against $2.17, while sales have risen from $745m to $847m.

A tightening in profit margins has been forecast for this year. In 1979, sales gained 21 per cent and profits were 26 per cent higher. But the polyester-nylon business is expected to perform badly, in line with the rest of the industry.

Banking downturn

First quarter operating earnings of BanCal Tri-State, owner of the Bank of California, declined from $4.73m to $3.97m, or from $1.06 to 87 cents a share, Reuter reparts from San Franciseo. The bank blames the escalating cost of borrowing for the downturn and warns that the lower earnings trend may continue if interest rates stay high.

General Instrument

General Instrument, a diversified manufacturer of electronic and electro-mechanical components and systems has turned in record annual earnings of $51.1m or $5.90 a share, against $34.1m or $4.22 a share previous. Sales were $718.1m, up from $550.6m. Fourth-quarter earnings were $14.5m or $1.63 a share, against $9m or $1.11 a share previously.

MGM ruling

Metro-Goldwyn-Mayer said it received a ruling that its previously proposed spin-off of its filmed entertainment operations will be tax-free to stockholders, Reuter reports from Culver City. Meanwhile, second quarter earnings were $10.18m or 31 cents a share, against $10.38m or 33 cents a share last year. This brings half-year profits to $25.49m or 78 cents a share against $36.39m or $1.13 a share previously.

Pabst earns less

Sharp increases in costs of barley, aluminium and packaging have hit Pabst Brewing. First quarter earnings have dropped from $1.79m to $1.57m on sales up from $160.5m to $186.8m, Reuter reports from Chicago.

J P Morgan profits hit by rising interest rates

BY STEWART FLEMING IN NEW YORK

EVIDENCE of the impact which rising interest rates are expected to have on bank profits began to emerge yesterday when J. P. Morgan, the fifth largest U.S. bank, reported that its first quarter earnings rose a slim 2 per cent to $70.8m.

In the first quarter of 1979, a period when bank profits were buoyant, Morgan had a net income of $69.4m, and in the 1979 fourth quarter profits were $73.2m.

The bank reported a substantial gain in the growth of the average volume of interest earning assets—from $29.8bn to $33.7bn. But net interest earnings (the difference between total interest earned and total interest paid) were adversely affected by a narrowing of the difference between rates earned on interest earning assets and the cost to the bank of funds to finance such assets.

The narrowing of this spread as a result of rising money market interest rates is one of the factors bank analysts cite as likely to affect adversely bank profits in the current quarter. It is expected that some banks, particularly those with large consumer loans, may be harder hit than J. P. Morgan in this area—Morgan does not have a big consumer banking business.

While Morgan's net interest earnings were squeezed in the quarter, the bank enjoyed a substantial improvement in non-interest operating income which rose 25 per cent to $84.2m.

Overall, however, there was evidence of weakening profitability on measures bank analysts employ to track these trends. Thus, the return on average total assets in the 1980 quarter was down to 0.65 pe rcent from 0.75 per cent, and return on equity was 14.42 per cent, down from 15.78 per cent.

INTERNATIONAL BONDS

Most sectors make headway

BY FRANCIS GHILES

EUROBOND prices advanced in most major sectors of the international bond markets yesterday. Dollar denominated bonds gained a point on average, with most buying interest concentrated around the six to ten-year maturity range.

Buying interest is coming from a wide range of institutional and retail clients according to a number of dealers. The fall in Eurodollar interest rates—the six-month Libor dropped 1/16 to 18¼ per cent—yesterday appeared to confirm the view held by some dealers and investors that the peak in U.S. interest rates is behind rather than in front.

Other dealers remain sceptical, however. They argue that the shortage of new paper in the fixed interest rate dollar sector is responsible more than any other factor for pushing up prices.

Although rumours of new issues abound, none has yet come to light. There is little doubt that $200m-300m worth of new dollar denominated paper would test the market's resilience and tell whether the advance in prices witnessed in the past few days is firmly based.

A quarter point decline in Euro-French franc deposit rates—the six-month rate fell to 13¾ per cent yesterday—and softer domestic money market rates have helped French franc foreign bonds over the past weeks.

Another factor which is pushing prices up in this sector is the political crisis in Belgium and the growing fear of investors in that country that the Belgian franc will be devalued. Belgian investors have traditionally been heavy investors in French franc bonds and such was the case with the latest FFr 400m issue for Electricite de France, which was priced last week to yield 14.25 per cent. Since then, this issue's secondary market price has risen to 100¾ per cent in the middle, at which level it yields 14 per cent.

A third Norwegian krone-denominated Eurobond is expected shortly, for Norges Typotheken Bank. This follows the decision taken just before Easter by the Ministry of Finance in Oslo to allow, conditions permitting, one Norwegian krone foreign bond to be issued every eight weeks.

The next but one issue is expected in June, for Norway's Export Finance Corporation. So far, two bonds totalling NKr 180m have been floated, the first last December for the City of Oslo and the second last February for Den Norske Investment Bank.

Both hard currency Eurobond sectors of the market posted price gains yesterday: Deutsche Mark foreign bonds advanced by an average of ¼ of a point while Swiss franc bonds gained as much as ⅜ per cent. Sterling bonds finished the day with gains of about ½ of a point.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 9

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	83	83½	+0⅝	+0⅝	13.24
Alex Howden XW 9½ 91	30	†66	68	0	0	16.02
Australian Res. 9⅝ 84 ...	30	85¼	85¾	+1	+1¼	14.32
Avco O/S Cap. 10¾ 87	40	74½	76	+0¼	+0½	16.38
Beneficial Fin. 9¾ 87 ...	100	85⅝	81⅛	+0⅝	+1	14.09
CECA Grad. Rate 12 86	100	88¾	89¼	−0⅛	+0¼	14.65
CECA 11¾ 90	50	86½	87¼	+0¼	+0½	14.16
Canadian Pacific 9¼ 89	50	82¼	82⅝	+1	+1½	13.18
Carter Hawley 9¾ 86 ...	50	82⅛	82⅝	+0⅝	+1	14.13
Comalco Inv. E. 10¾ 91	40	82	82½	+0½	+0⅝	13.36
Continental Grp. 9⅝ 86	100	81⅝	82⅛	+0⅛	+0⅛	14.17
Dome Petroleum 10 94	50	78	78½	+0½	+0⅛	13.49
Dominion Bridge 10¼ 84	30	87¾	88¼	+0½	+0⅝	14.21
EIB 11¾ 92	80	87½	88	+1⅛	+2⅛	13.90
EIB 10.15 89	100	†76⅝	77⅜	+1⅜	+2½	14.06
Ekportfin 11¼ 87	50	89½	90	+0¼	+1⅛	13.63
Export Dv. Cpn. 9¾ 84	100	85⅝	86⅛	+1	+1⅛	14.20
Export Dv. Cpn. 9¾ 84	150	86¼	86¾	+1⅛	+1⅜	14.02
Finland 9⅝ 89	100	*†76¼	76¾	+0⅝	−0⅛	14.79
GTE Finance 9¾ 89	55	81⅜	81⅞	+1⅛	+1⅛	13.30
GMAC 9¼ 86	100	81⅞	82⅜	+0⅝	+0⅞	13.70
GMAC O/S Fin. 11 84	100	90⅜	90⅞	+0½	+0⅞	13.80
Gould Int. Fin. 9⅞ 85...	50	85⅛	85⅝	+1	+1⅛	14.06
ITT Antilles 9½ 89	75	79⅛	79⅝	+1	+1⅛	13.59
Kennecott Int. 9½ 86 ..	100	82¼	82¾	+1½	+1⅞	13.93
Manitoba 9½ 89	75	78¾	79¼	+0½	+0½	13.71
Micheline 10 94	125	79	79½	+1⅛	+1⅛	13.29
Nat. Des. Telecm. 9½ 86	100	83⅜	83⅞	+1⅛	+1⅛	13.55
New Brunswick 9¾ 94	75	75¾	76¼	+1¼	+1⅜	13.69
Newfoundland 10 94 ...	50	80⅞	81⅜	+1⅜	+1⅝	13.02
Norges Komm. 9⅞ 99...	100	*†74	74½	+1¼	+0⅞	14.16
Norway 9½ 84	150	86⅝	87⅛	+1⅛	+1⅞	13.93
Nova Scotia Pwr. 9¾ 89	50	81¼	81¾	+0⅞	+1	13.37
Occidental Fin. 10¾ 84	50	†87	87½	0	+0½	14.53
Pennwalt O/S F 9¾ 84	25	86¼	86¾	+1⅛	+1⅛	14.26
Pepsico Cap. 9¼ 84 ..	100	86¼	86¾	+0⅛	+0⅞	13.95
Quebec Hydro 10 99 ...	75	77⅜	77⅞	+1⅛	+1⅛	13.26
Sears Roebuck 9 82 ...	150	90½	91	+0⅝	+0⅞	15.04
Statoil 9¾ 89	100	80¾	81¼	+0½	+1⅛	13.27
Sweden 9¾ 89	100	80⅝	81⅛	+0½	+1⅛	13.53
Sweden 9½ 86	200	†84½	85	+0⅝	+2⅜	13.73
Sweden 9¾ 84	100	86⅛	86⅝	+1	+1⅛	14.06
Unilever NV 9¾ 87	100	80½	81	+0⅛	+0⅜	13.55
Warner-Lambert 9 84 .	100	84½	85	+0½	+0⅞	13.98

Average price changes. On day +0⅞ on week +1¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	90	90¾	+0¼	+0½	9.85
Asian Dev. Bk 7¾ 89...	100	80½	81¼	+0⅛	+0⅛	10.56
Australia 8⅛ 90	250	83½	94⅛	−0¼	−1	9.10
Barclays O'seas 6¾ 89	100	80⅛	81⅛	+0¼	+0⅛	10.11
BFCE 7¾ 87	100	91⅛	91⅞	+0½	+0⅞	9.50
BFCE 8¼ 95	100	87¾	88½	+0⅝	+1⅛	9.66
Brazil 8 87	150	87¾	88¼	+0⅛	+0¼	10.46
CECA 7 91	150	83⅞	84⅝	+0⅝	+1¼	9.35
Council of Eur. 7¾ 89...	100	86	86¾	+0⅛	0	9.56
Denmark 7⅞ 86	100	89½	90½	0	+0½	10.23
Denmark 8¾ 92	100	86¾	87¼	0	−0¾	[illegible]
EEC 7⅞ 94	225	86⅝	87⅜	−0½	−0⅝	9.55
EIB 7½ 89	200	86⅝	87⅜	−0⅛	+0⅛	9.76
Finland Rep. of 8 86..	150	91½	81⅞	0	+0⅛	9.77
Kobe, City of 7¾ 89 ..	150	82⅝	83⅜	+0½	+0¼	9.96
Nedor, Gasunie 8 86 ...	100	92	93	−0⅛	−0½	9.56
New Zealand 7⅞ 87 ..	200	86⅛	86⅞	+0¼	+0⅛	9.75
Norges Komm. 7¾ 91...	150	86⅝	87⅜	+0¼	+0⅛	9.67
Norway 7½ 85	250	93½	93⅞	+1	+0¼	9.16
OKB 7¾ 89	100	82⅞	83⅝	−0⅛	+0¼	10.20
Oslo, City of 8¾ 90......	80	94¼	94⅞	+0½	+0⅝	9.63
World Bank 7¾ 91 .. .	400	84	84¾	+0¼	+0½	10.13
World Bank 7⅞ 90 ...	250	87⅞	88⅝	−0⅞	+0¼	9.79

Average price changes... On day +0¼ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	86⅜	86⅞	−0⅝	−1⅛	7.56
Aumar 5 89	60	85½	86	0	+1	7.76
Australia 3½ 89	250	82¾	83	+0⅞	+1⅛	6.16
Bergen, City of 4¾ 91...	40	84	84½	+0¼	−0½	6.79
BNDE 5 89	75	80	80½	+1⅞	+1	8.10
BMW Overseas 4¾ 91..	100	85	85⅝	+1	−2¼	6.05
Caisse Nat. Tele. 4½ 89	100	85	85½	+0⅞	0	6.52
CCCE 5¾ 90	100	96½	97	+0½	−0½	6.20
Copenhagen 4½ 91	60	77⅞	78⅜	+1⅛	−0⅝	7.38
Council of Eur. 5 89 ...	100	87½	88	−0⅛	−2½	6.77
EIB 4½ 91	100	79½	80	+0¼	+1½	7.19
EIB 4⅞ 94	100	78¼	79¼	−0⅛	−0⅝	6.72
Elet. de France 4¾ 89...	100	87¾	88¼	+1½	+1¼	6.10
GZB 4¼ 89	100	84¼	84½	+0⅝	−0⅛	6.49
Hilti 4½ 91	35	89½	90¼	+1⅝	−0⅛	5.46
Int.-Amer. Dev 4½ 89 .	100	81¼	81¾	+0½	−0¼	7.30
Jutland Tele. 5½ 90 ...	50	94	94½	+0⅛	−0⅞	6.28
Malaysia 5 89	80	84¼	84⅜	−0½	−0⅞	7.33
Nippon Tel. & T. 4¼ 89	100	87	87¾	+1⅞	+1⅝	6.03
Nordic Bank 5 89	45	87¼	87¾	+0¼	−1⅛	6.86
Norges Komm. 4⅞ 91...	100	81	81½	+1	+0½	6.77
OKB 3¾ 91	100	74¾	75¼	+0¼	−1⅛	7.11
OKB 4½ 91	100	80¼	80½	−0⅛	−0½	6.90
OKB 6 90	100	97⅛	97	−0⅛	−1⅞	6.29
Oslo, City of 4⅞ 91 ...	100	80½	81	+0⅝	+0⅛	6.84
Shikoku El. Pwr. 4¾ 89	100	89	89½	+1	+0½	6.30
Stewoag 4¾ 91	60	84½	85	−0½	−0⅛	6.72
Voest-Alpine 4¾ 89 ...	90	87	87½	+0¼	+0½	6.65
World Bank 4⅞ 89 ...	100	86½	87	+1½	−0⅛	6.56
World Bank 4¾ 89	150	81½	82	+0⅝	0	7.08
World Bank 4⅝ 91	100	80⅛	80⅝	+0¼	−0¼	7.15

Average price changes... On day +0⅝ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	81½	82½	0	−0¼	12.15
Australia 6½ 88	20	73	74	0	+0⅛	11.72
EIB 7¾ 89	12	79½	80½	0	0	11.29
Finland 5.6 83	10	80⅝	81⅝	+0¼	+0½	12.53
Finland 6.8 88	10	74⅜	75⅜	+0¼	−0⅛	11.78

Average price changes... On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10¼ 86 C$ ...	25	77⅞	78⅞	−0¼	−1½	16.05
Bell Canada 10¾ 86 C$	60	84½	85	−0⅞	−0⅜	14.49
Cr. Foncier 10¾ 84 C$	30	84⅝	85⅜	−0¼	−0⅜	15.26
Ex. Dev. Cpn. 10 84 C$.	50	85¼	85¾	−0⅛	−0⅜	14.96
Fst. Can. Inv. 10 84 C$	50	84¾	85¼	−0⅞	−0¼	15.15
Hudson Bay 10½ 89 C$	60	78¼	78¾	0	+0¼	15.00
Quebec 10¾ 86 C$	50	82½	84⅛	0	+0⅛	14.58
R. Bk. Canada 10 86 C$	40	84⅞	85⅜	+0¼	+0¼	13.74
R. Bk. Canada 10 94 C$	40	75¼	75¾	−0⅞	−0⅛	14.06
Copenhagen 8¾ 91 EUA	20	87	89	0	0	10.59
M. Bk. Dnmk. 9 91 EUA	25	89¾	91¼	0	+0⅛	10.43
SOFTE 8¾ 89 EUA	40	82	84	0	0	11.35
U. Bk. Nrwy. 9½ 90 EUA	18	97¼	98¾	+0¼	0	9.82
Algemene Bk. 8¾ 84 Fl	75	91¾	92¼	+0⅛	+0½	10.57
Ned. Gasunie 8⅝ 84 Fl	50	90⅞	91⅜	+0⅛	+0⅛	11.46
Ned. Middbk. 8¾ 84 Fl	75	91¼	91¾	+0¼	+1⅛	11.00
Norway 8¾ 84 Fl	100	90½	91	−0¼	−0⅛	11.28
Norway 8¾ 84 Fl	100	91⅞	92⅜	+0⅛	+0½	10.61
Philips Lamps 8¾ 84 Fl	75	91⅞	92⅜	+0⅛	+0⅛	10.88
Air France 11 84 FFr ...	120	90¾	91½	+0½	+0⅞	13.75
CECA 14¾ 86 FFr	150	100½	101	+0⅛	+2⅛	14.05
Euratom 9¾ 87 FFr	150	80¼	81	−0⅛	+0⅞	14.22
Finland 11 84 FFr	80	88⅝	89⅜	−0⅛	+0⅞	14.42
Finland 11½ 89 FFr	70	84⅞	85	0	+0⅛	14.54
Gaz de France 11 84 FFr	150	90½	91¼	+0⅛	+1	13.69
IBM France 11⅞ 84 FFr	120	90⅝	91⅜	−0⅛	+0⅛	14.59
Renault 9¾ 85 FFr	100	81⅞	82⅝	0	+0⅛	14.82
Saint-Gobain 9¾ 86 FFr	130	80⅝	81⅜	+0⅛	+0⅛	14.58
Solvay et Cie 9¾ 87 FFr	125	76⅝	77⅞	−0⅛	+0¼	15.24
Citicorp O/S 13½ 90 £	50	90⅛	90⅝	−0⅛	−0⅛	15.41
EIB 11½ 91 £	25	83⅛	84	+0⅛	+1¼	14.53
Finance for Ind. 13 91 £	15	88¼	89⅞	+0⅛	+0⅛	15.18
Fin. for Ind. 12½ 89 £	30	86⅝	87⅜	+0½	+0⅛	15.20
Fin. for Ind. 14½ 88 £	20	95⅛	96	+0⅛	+0⅛	15.48
Gen. Elec. Co. 12½ 89 £	50	89	89¾	−0⅞	−0⅛	14.70
Indonesia 8¾ 91 KD ...	7	†93	93½	0	0	9.75
Mitsubishi 7½ 84 KD ...	10	†89⅝	90⅝	0	0	10.44
Norges Kom. 7½ 89 KD	12	†93¼	93⅞	0	0	8.53
Occidental 8¾ 91 KD ...	7	†90¼	90¾	0	0	9.68
Akzo 9¾ 87 LuxFr	500	83¾	84¾	−1⅛	0	12.69
Euratom 8 87 LuxFr ...	500	80½	81½	+2	+3⅛	12.20
Euratom 9¾ 88 LuxFr ...	500	89⅛	90⅛	+0⅛	+1⅞	11.85
EIB 9¾ 88 LuxFr	600	89⅞	90⅞	+0⅛	0	11.88
Volvo 9¾ 87 LuxFr	500	87	88	0	+0⅛	12.34

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅛ 87 ..	0¼	96¼	96¾	2/7	15⅛	15.67
Banco di Roma Int. 6 87	0¼	98¾	99¼	26/4	15⅜	15.91
Bank of Ireland 5¾ 89...	‡0¼	96½	97	21/5	16⅛	16.67
Bank of Tokyo 5¼ 88 ...	‡0¼	97	97½	25/4	14.56	14.97
Barclays O/S Inv. 5 90	0¼	96⅜	96⅞	13/6	14¼	14.75
Bergen Bk. A/S 6 89 ...	‡0¼	96½	97	29/5	17¼	17.83
Bque. Indo Suez 5¼ 89	0¼	96¾	97¼	11/7	14.69	15.14
Citicorp O/S F. 6 94 ...	‡0¼	99¼	99¾	8/6	18.81	18.91
Citicorp O/S F. 83	§‡0	99	99½	23/5	16.06	16.18
Citicorp O/S F. 84	‡0	99¼	99¾	30/5	16.94	17.02
C. Itoh 5¼ 87	0¼	98⅜	98⅞	18/9	19.44	19.71
Co-operative Bk. 6 86...	0¼	97¼	97¾	15/5	15.06	15.45
Creditanstalt 5½ 91......	§‡0¼	98¼	98¾	14/6	18.44	18.72
CNT 5¼ 86...	§0¼	99⅛	99⅝	16/4	15.19	15.28
GZB 5½ 89...	‡0¼	97½	98	1/5	14⅛	14.96
Jugobanka 8 89	0⅞	91	92	23/5	16	17.49
Ind. Bank Japan 5¼ 87	0¼	97⅞	98⅛	15/4	14¼	14.52
LTCB Japan 5¼ 86	0¼	96⅞	97⅜	13/6	14¼	14.67
LTCB Japan 5½ 89	0¼	96⅛	96⅝	7/6	14.19	14.72
Mfrs. Han. O/S 5¾ 94..	‡0¼	98⅛	98⅞	30/5	17⅛	17.36
Midland Intl. Fin. 5 89	0¼	97½	98	20/6	15	15.35
Nacional Fin. 6¼ 86 ...	0¼	96⅞	97⅜	25/7	14.69	15.12
Nat. West. 5¼ 94...	§0¼	97⅞	98⅛	11/4	14.94	15.24
Nippon Credit 6½ 86 ...	0¼	95⅝	96⅛	12/7	14.44	15.06
Nippon Credit 5¼ 87 ...	‡0¼	97	97½	6/5	14.69	15.10
Royal Bk. Scot. 5¼ 94..	§‡0¼	98½	99	11/4	14⅝	14.81
Soc. C. de Bque. 6½ 87	0¼	97⅞	98⅛	3/10	20.06	20.45
Sogenal 5¾ 89	§0¼	96½	97	13/7	14.44	14.92
Standard Chart. 5¼ 90...	0¼	87⅞	98⅜	6/9	17¼	17.58
Sweden 8¾ 91	‡0¼	†96⅞	97⅜	18/4	14.44	14.87
TVO Pwr. 9 91 (D-lock)	0¼	96⅜	96⅞	24/5	15.31	15.85
Williams & Glyn 5¼ 91	0¼	97⅜	97⅞	14/6	18½	18.95
Bq. E. d'Alg. 4¼ 89 SF	0⅛	86⅝	87¼	18/6	6.69	7.69

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktbolag 7¾ 89 ..	10/79	145	†101	102	0	−11.56
Ajinomoto 7¾ 95	2/80	618	87⅝	88⅝	+3¼	3.56
Alco Int. Fin. 9½ 94 ...	1/80	40	†83	84	+0⅛	27.82
Asahi Optical 7 94	11/79	605	79¾	80⅞	+1½	12.65
Canon 6¾ 94.............	8/79	570	94⅝	95⅜	+0¼	6.11
Ciba-Geigy O/S F. 4 94	9/79	675	63	64	+1⅛	4.61
Credit Suisse 4¾ 93 ...	10/79	1325	84⅞	85⅝	+2⅛	−3.97
Daiei Inc. 6½ 94	11/79	1020	86⅞	87⅞	+0⅛	36.92
Enserch Fin. 9½ 94	7/80	30.25	98¼	99¼	0	10.06
LPC Internatnl. 8 89 ...	9/79	23.33	85½	87	+0⅛	15.78
Meidensha Elec. 7 94 ..	12/79	210	†85⅜	86⅜	+2	16.59
Mitsubishi Cp. 6½ 94.	10/79	604	112⅜	113⅜	+0¼	20.44
Nippon Seiko 7¾ 94 ...	12/79	339	93¾	94⅝	+0½	0.71
Nitto Elec. Ind. 6 94 ...	7/79	735	†61	62½	−0¼	−0.58
Toshiba Cpn. 7¾ 94 ...	10/79	198	87⅞	88⅞	+1¼	7.65
Union Bk. Switz. 5 89...	2/80	125	86	87	+2⅝	−10.64
Fujitsu 5 84 DM	7/79	475	91⅛	91⅞	+1½	15.41
Kansai Elec. 4 84 DM ..	4/79	1234	80¾	81¾	−0⅛	55.19
Tokyu Ld. Co. 4 86 DM	4/79	493	71⅛	72⅛	+0⅛	45.97
Uny Co. 6½ 85 DM	11/79	1071	86⅝	87⅜	+0⅛	37.73

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

DUTCH ELECTRONICS

Philips' longer term confidence

BY CHARLES BATCHELOR IN EINDHOVEN

PHILIPS, the Dutch electrical group, is confident of increasing profits in the longer term but is not certain whether any upturn will be achieved for 1980. In 1979 both profits and sales fell short of expected levels.

The company expects volume sales to rise by 5 per cent this year, compared with 6 per cent in 1979. Economic and monetary factors, as well as the speed with which it can restructure its television operations, will determine whether profits improve in 1980, said Dr. Nico Rodenburg, the president.

The performance in the first three months "indicates that there has been some improvement" in various markets. It is too early to draw any conclusions for the year as a whole.

Philips expects that the electronics industry will continue to grow fast over the next few years with increased demand for products and systems which integrate a number of disciplines. The company believes that its technology, its strong research and development potential and its widespread sales organisation will allow it at least to keep up with the growth of the market.

It will, however, have to develop its labour intensive activities in countries where production costs are low and reduce its concentration in high cost areas. Improvements in productivity continue to outpace the growth of volume sales so jobs will be lost, particularly in Western Europe.

Philips has already made provisions worth Fl 200m to cover the cost of restructuring, mainly in the television and glass division in the Netherlands, this year. It ultimately hopes to improve the ratio of after tax profits to sales to 3-4 per cent from last year's level of 2 per cent.

Investments, particularly in new products and new technologies, will remain at a high level and spending on property, plant and equipment will exceed depreciations. Investment rose 22 per cent to Fl 2.14bn ($1bn) last year.

Philips' pre-tax profit fell 12 per cent to Fl 619m ($292m) last on sales which were 7 per cent higher at Fl 33.3bn. The largest division, products and systems for professional applications, increased trading profit by 29 per cent on 15 per cent higher turnover.

The company intends to maintain its position in the development of new video equipment for home and office use. Investments towards new technology will reman at a "high level" in the coming year.

In 1979 research and development outlays amounted to 7.3 per cent of sales, up from 7.2 per cent in 1978. A little more than half of the company's research capacity is located in the Netherlands.

Philips said that expenditure on property, plant and equipment will exceed funds accruing from depreciation. Over the longer term the company will have to improve profitability in order to meet its future financing requirements.

● Nederlandse Credietbank is to raise Fl 50m on the Dutch capital market through the issue of a 20-year bond carrying a coupon of 12 per cent. The offering is to be priced tomorrow.

The issue follows the successful launch recently of a 12 per cent coupon bond by Bank Mees and Hope.

BSN takes stake in Nigerian breweries

By Robert Mauthner in Paris

FRENCH fod and glass group BSN—Gervais Danone, has decided to purchase a 15 per cent minority stake in two Nigerian breweries, to be constructed by Sona Breweries at Otta, near Lagos, and by International Beer and Beverages Industries (IBBI) at Kaduna, in the north of the country. The investment will cost BSN FFr 14m ($3.1m).

BSN declined to reveal how much it had paid for its stake in the plants, which will be built by two French civil enginering groups, Serete and Sodeteg.

Each of the breweries will have a capacity of some 500,000 hectolitres of beer per year, to be marketed under the BSN brand name, Kronenbourg and Kanterbrau, and 100,000 hectolitres of non-alcoholic drinks.

The Nigerian investments are part of the group's recent strategy of concentrating activities in food rather than glass. After the sale last month of its German glass operations to Pilkington of the UK, some 85 per cent of BSN's interests are now in food.

The French group has been particularly active during the last few months in extending its tentacles into the brewery business. It has taken stakes in Mahou, the second biggest Spanish brewery, and Wuhrer, the third biggest brewer in Italy, as well as raising its holding in the Anglo-Belge Brewery to 97 per cent.

In Africa, BSN already has substantial interests in the Kronenbourg brewery in Congo Brazzaville and in the Libreville brewery in Gabon. It is also participating in the construction of mineral water packing plants in Senegal and the Ivory Coast.

Lebanese facelift for Swiss oil

By Brij Khindaria in Geneva

A CORNER of Switzerland's small and declining oil refining industry may be about to go through a process of regeneration following the involvement of a Lebanese millionaire.

Mr. Kamil Ghattas, a Lebanese financier who moved to Switzerland three years ago, bought Total Suisse from the CFP last year to gain a foothold in Switzerland's market for peroleum products. Total has a chain of 370 service stations representing 5 per cent of the Swiss oil distribution network.

The purchase of Total Suisse, whose name and trade mark belonging to CFP must be relinquished within three years, gave Mr. Ghattas a 4.3 per cent shareholding in the Raffineries du Sud-Quest, an ailing refinery which currently operates at 40 per cent of capacity.

On March 1 this year Total Suisse acquired from Esso further shares in Raffineries Sud-Quest increasing its ownership of the refinery to 38 per cent. The acquisition cost SwFr 7m ($3.8m) but allowed Mr. Ghattas to become the principal shareholder. Other major shareholders are British Petroleum with 24.4 per cent and the Italian oil company, AGIP, with 23.3 per cent.

Mr. Ghattas owns Gatoil, an international oil trading company buying mainly from the Arabian Gulf oil exporters. Mr. Henri Schmitt, president of Total Suisse, told reporters after the Esso share sale that Gatoil was negotiating to buy more oil not only from Qatar and Saudi Arabia but also from Angola, Nigeria and Mexico.

Gatoil currently has access to about 3m tonnes of petroleum and will be able to supply Raffineries du Sud-Ouest with about 50,000 to 100,000 tonnes a month.

But Raffineries du Sud-Oest, which has an output of only 250,000 to 500,000 tonnes a year, needs a major overhaul. It needs to be substantially rebuilt to handle the light crudes exported by the Arabian Gulf producers.

Total Suisse now plans to invest at least SwFr 20m as a first steptowards getting the refinery back on its feet. It estimates that the refinery will need total investments of up to SwFr 200m ($108m) in coming years.

VMF-Stork reduces deficit

BY OUR FINANCIAL STAFF

DUTCH engineer VMF-Stork, reports a sharp reduction in net losses for 1979 following a move out of the red by associated companies and halved provisions.

Net operating losses are down from Fl 34.3m to Fl 18.8m ($10.1m), thanks solely to profits of Fl 2.4m from associates, against a Fl 12.6m loss in 1978.

After provisions of Fl 18.5m (Fl 41.5m), the net result is a deficit of Fl 37.3m ($17.8m) compared to Fl 75.8m.

VMF-Stork, whose operations mostly serve the paper, textile, construction and materials-handling trades (56 per cent of turnover in 1978) managed a modest level of cashflow last year, its first positive returns since 1977.

The company last made an overall profit in 1975 when shareholders received a dividend of Fl 13 a share. Since then it has struggled to overcome financial strains and trading depressions.

In 1978, VMF-Stork's biggest loss-maker, its diesel division, was hived-off as a separate entity with the Dutch Government injecting funds under a load-sharing arrangement.

● Algemene Bank Nederland (ABN) took a cautious view of foreign lending in 1979 and saw a slight fall in the contribution of foreign business to profits. The bank, which is the most internationally-orientated of the Dutch institutions, kept its foreign lending at an unchanged level despite record demand.

This was its response to unsatisfactory conditions on the Eurocurrency markets where margins continued to fall, maturities lengthened and "insufficient regard" was paid to varying categories of risk, the bank said in its annual report.

This limited ABN's ability to head loan syndicates, though overall the bank was "very satisged" with profits from this sector of its activities. It intends to strengthen its international position.

Foreign earnings rose by 6 per cent in 1979 compared with the 37 per cent growth achieved for 1978 when the consolidation of acquisitions distorted the the trend.

The rate of growth of foreign earnings fell below the domestic growth rate of 8 per cent last year. Pre-tax profit on foreign business fell 9 per cent in 1979 compared with the 2 per cent fall for domestic business. Foreign business accounted for 37 per cent of the Fl 626m ($295m) gross profit in 1979 compared with 39 per cent

ESAB misses payment for second year

BY VICTOR KAYFETZ IN STOCKHOLM

ESAB, the Swedish welding equipment maker, posted a pre-tax loss of SKr 1.1m ($240,000) before extraordinary items in 1979, against a 1978 loss of SKr 36.4m. Two months ago the company gave a preliminary figure of SKr 2m for the 1979 loss.

The board recommends passing the dividend for the second year. Sales rose 5.5 per cent to SKr 1.49bn ($329m).

The annual report says the subsidiary ESAB North America Inc. moved from a large 1978 loss to a small profit last year, while the companies in West Germany and Italy yielded continued losses.

The group still predicts improved earnings in 1980

● PK Banken, Sweden's largest commercial bank, is to acquire a 20 per cent stake in the capital of Banque Odier Bungener Courvoisier (OBC), a small private French bank, whose profits last year totalled FFr 7.1m.

The operation will be carried out by increasing OBC's capital by FFr 10m to FFr 40m through the issue of new shares. A second operation will raise the capital to FFr 60m by incorporating reserves and increasing the nominal value of the shares to FFr 150 each from FFr 100.

Cie. Generale des Eaux will maintain its 34 per cent stake in OBC by subscribing to the capital increase.

Sulzer maintains dividend

BY JOHN WICKS IN ZURICH

SULZER BROTHERS, Switzerland's second biggest engineering concern, is to pay an unchanged dividend of SwFr 14 per share for 1979 following a fall in the parent company profits from SwFr 34.3m ($19.05m) to SwFr 32.7m ($18.16m).

Although the parent undertaking recorded a sharp increase of some 30 per ient in new orders for the year, from SwFr 1.4bn to SwFr 1.82bn, its 1979 turnover dropped sharply from SwFr 2.07bn to only SwFr 1.64bn.

A similar pattern is reported for the group as a whole. Consolidated new-order volume jumped from SwFr 3.02bn to SwFr 3.51bn, thus more than making up for the 1978 decline from the previous year's SwFr 3.4bn.

This 16 per cent increase in orders, however, was accompanied by a fall in billings for the year from SwFr 3.48bn to Sw Fr 3.11bn.

Swiss lift-maker's profits at standstill

BY OUR GENEVA CORRESPONDENT

SCHINDLER HOLDINGS, the Swiss maker of lifts, escalators and railway wagons, announced a net profit of SwFr 11.85m ($6.42m) for 1979, compared with SwFr 11.73m ($6.4m) in 1978. The company will pay a dividend of SwFr 12 per nominal share and SwFr 60 per barrel share.

A board letter to shareholders said profits were under severe pressure from rising production costs and they needed to keep prices down to face international competition.

Activities in Switzerland suffered particularly from rising costs and a large part of the new orders and gross profits came from Schindler's U.S. affiliate, Schindler Haughton Elevator Corporation.

Schindler's Far Eastern affiliate, Jardine Schindler (Far East) Holding, based in Hong Kong, has concluded a deal with the Chinese Government to establish the China Schindler Elevator Company headquartered in Peking, a separate Schindler statement said.

The new company will have a founding capital of $16m and will assemble Schindler lifts for the Chinese domestic market and for export.

Orders registered by the Schindler Group rose by 17.7 per cent last year, compared with the previous year. There was a 14.5 per cent increase in orders for lifts and escalators and a 36.9 per cent rise in orders for transport systems including railway wagons.

Orders for transport systems were worth SwFr 219m compared with SwFr 1,104m for lifts and escalators. Despite this increase Schindler activity in the transport systems sector is not satisfactory. Staff is fully employed but the company's technical capacity is not yet fully exploited the letter to shareholders said.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	1.4.80	8.4.80	AVERAGE YIELD	1.4.80	8.4.80
DM Bonds	86.46	86.69	DM Bonds	10.004	9.961
HFL Bonds & Notes	84.49	84.94	HFL Bonds & Notes	11.368	11.286
U.S. $ Strt. Bonds	79.97	80.21	U.S. $ Strt. Bonds	12.997	12.948
Can. Dollar Bonds	82.87	82.53	Can. Dollar Bonds	13.347	13.429

Upturn in S. African interest rates

By Bernard Simon in Johannesburg

INTEREST RATES in South Africa have unexpectedly bounced up in the past fortnight, and most economists now agree that the downtrend in rates, which has lasted for almost three years, is close to an end.

The latest government stock issues, announced on Tuesday, clearly show the authorities' eagerness to hold rates up. The long-term 22 year stock carries a coupon of 9.25 per cent, while the three year loan is pitched at 5 per cent. Both rates are slightly above current trading rates and a little higher than most money and capital market experts had expected a few weeks ago.

Short-term interest rates have shot up. The government Treasury bill rate, which stood at 4.14 per cent three weeks ago, is now at 4.32 per cent, while the volume of weekly tenders has dropped from over R130m to just above the R50m of Treasury bills on offer.

One of the main reasons for the sharp turnaround is a surge in foreign-controlled companies' use of rand-denominated trade finance. The Reserve Bank eased restrictions on their local borrowing last December to allow them to take advantage of cheap domestic rates to finance imports and exports. Money market experts estimate that almost R2bn worth of bills and promissory notes have been issued since then for this purpose.

The apparent determination of the authorities to hold rates up, despite high liquidity, is the main reason for believing that the markets are close to their bottom. With money market rates 4-5 per cent lower than prime overdraft rate, the inter-company grey market is flourishing. "If left unchecked," Mr. Owen Horwood, the Finance Minister, said in his recent budget, "this process could not only make monetary statistics less meaningful and monetary policy less effective but also banking practices less sound."

The government has already unveiled a number of steps it is likely to take to neutralise the high liquidity caused by a massive current account surplus on the balance of payments, currently running at an annual rate of over R4bn.

The Reserve Bank is preparing to take a more active part in "open market" operations on the money market. Earlier sales of securities virtually exhausted its holdings of government stock, but the Bank has now announced its intention of issuing special debentures specifically for open market operations.

Government spokesmen have suggested that exchange controls will be further relaxed to allow more funds to leave the country. The rand will probably be allowed to rise gradually.

In the longer term, growing demand for funds from consumers and investors will probably contribute to firmer interest rates. The economy is expected to grow by close to 6 per cent in 1980, and fixed investment by 4-5 per cent in real terms.

Although the fall in rates may be nearing an end, exports agree that sharp upward movement is unlikely. Mr. Rudolf Gouws, economist of the Nedbank group, sums up to conflicting forces by saying that "it's a trade-off between domestic credit expansion and rising foreign reserves. There will not be a big rise from current levels."

Indeed, some economists think short-term rates may fall a little before they start rising again. Standard Bank said this week that "interest rates may well be lower at the end of April than at present, due to a higher level of Government spending and a seasonally low tax burden." Long-term rates, however, are unlikely to ease again during the current business upswing.

HK$520m rights by Hongkong Land

BY PHILIP BOWRING IN HONG KONG

THE HONGKONG LAND Company has reported a 7.9 per cent increase in consolidated net profit after tax and minorities to HK$ 301.5m (U.S.$ 59m) and, at the same time has announced a one-for-ten scrip issue and a rights issue which will raise HK$ 520m.

The profit figure was much in line with expectations and compares with an incerase of 8.9 per cent at the half-way mark. There was, in addition, an extraordinary profit of HK$ 58m and earnings per share were 57 cents. Profits have been seriously held back by the impact of high interest rates on borrowings incurred to finance the acquisition in late 1978 of Gammon House.

However, the building, which lost HK Land HK$ 33.7m last year, was sold in January for HK$ 1bn, which will give an extra-ordinary profit this year of HK$ 275m.

For 1980 the company is forecasting a profit of not less than HK$450m representing a 49 per cent increase. It says the rights issue and the proceeds of the Gammon House sale, which will be completed in July, will enable the group's floating rate debt to be reduced from HK$1.36bn at the end of February to not more than HK$350m. Fixed rate debt currently totals HK$1.38bn. Net tangible assets at end 1979 were HK$5.6bn or HK$10.6 per share. The market price is currently HK$10.50.

The rights issue will be on the basis of two shares for every 15 held after the one-for-ten scrip issue at a price of HK$6.90 a share. That represents a discount of 24 per cent on the current price adjusted for the scrip issue.

The issue should be attractive to the market, given the price and profit forecast. Though HK Land's profit performance has been disappointing compared with some high flying property development companies, its prospects now look sound and its defensive strength formidable.

Apart from the benefits of reducing costly floating rate debt, the company will benefit substantially from its acquisition last year of Franklins Stores, an Australian retail group. In 1979, food and retailing—mostly the Dairy Farm group—contributed HK$60m to group profit, while hotels produced HK$48m compared with HK$17m in 1978.

Group capital commitments amount to HK$969m, of which HK$449m has been contracted. These include some major office redevelopments in central Hong Kong. Capital commitments are thus relatively small and the group's cash flow should be helped by the conversion of warrants which expire at the end of this year. Full conversion would yield HK$320m.

On the earnings side, office reversions should ensure a continuing rapid increase in income. Average office rents received by the company are only HK$7.30 per square foot, compared with current market rates of HK$15 to HK$20. Even if current rates are not sustained, the potential from reversions is substantial.

For 1979 a second interim dividend of 30 cents has been declared, making a total of 44 cents, an increase of 12.5 per cent. The dividend absorbs HK$247.9m, equal to 82 per cent of ordinary profits or 69 per cent of total profits including extraordinary items.

SYNDICATED LOANS

Slow return for Japanese banks

BY PETER MONTAGNON

JAPANESE BANKS are likely to be allowed by the country's Ministry of Finance to participate in international syndicated credits for a total of some $5bn during the current fiscal year which runs to end March 1981, according to Japanese bankers in London.

The total is based on a pattern that seems to be emerging of halving, on a bank by bank basis, the new credit activity recorded during the last fiscal year to March 31, which amounted to $10.59bn.

Authorisations to participate in new deals will be spaced out over the year. The Ministry of Finance in Tokyo is now considering the position of individual banks for the first six months of the fiscal year, for which total authorisations are likely to be about $2.5bn.

This is taking some time, and it means that it could well be May before the presence of Japanese banks is re-established on the market, even though the date for their reappearance was officially set at April 1.

According to the bankers, individual banks will have some freedom in choosing which loans to participate in, though they are likely to be steered away from countries such as Mexico, to which they have lent large amounts in the past.

The reappearance of Japanese banks on the syndicated loan market is thus likely to be gradual and for relatively modest amounts. New lending activity was frozen last October except in a limited number of special cases.

International banks had earlier been expecting that the resumption of business by Japanese banks could swell the supply of funds to the market and work against a further increase in loan margins.

However, the modest beginnings now in prospect, coupled with the restraint being exercised by some U.S. banks, at the moment, to point in the direc-

MMC to build tin smelter

By Wong Sulong in Kuala Lumpur

MALAYSIA MINING Corporation (MMC), which accounts for nearly 25 per cent of Malaysia's tin output, is to build a tin smelter with an annual refining capacity of between 20,000 and 30,000 tonnes of tin concentrates. The smelter, estimated to cost around 30m ringgit ($12.9m), will be built on a 15 acre site near Port Klang, some 20 miles from Kuala Lumpur.

The construction of its own smelter does not mean, however, that MMC is abandoning its plans to buy an equity shre in the country's existing tin smelting companies — Datuk Kramat Holdings and Straits Trading—which have smelters in the north of Penang. Negotiations for a stake in the two companies have been going on for two years, and progress has been slow.

MMC's decision indicates its belief in the country's capacity to support a third smelter. Apart from its own production, MMC can rely on some output from mining companies in Selangor, and, at a later stage, from the huge deposits of the Kuala Langat fields, exploitation of which is in the final stages of discussion between MMC and Kumpulan Perangsang, the Selangor Government's mining arm.

Century Spinning margin falls

BY R. C. MURTHY IN BOMBAY

CENTURY SPINNING and Manufacturing Company, of the Birla group, has reported a 3.7 per cent rise in operating profits for 1979 to Rs 235.5m (around $29m), from Rs 227.1m in 1978.

The company has declared a 26 per cent dividend for 1979 besides offering one bonus share for every two held. The bonus issue by Century, a blue chip and pace setter for the Indian stock markets, has pushed the market price of Rs 100 shares to a record Rs 850, from Rs 825.

The decline in the profit margin was ascribed to a sharp rise in production costs and higher overheads. The installed capacity utilisation dropped because of a power-cut in Maharashtra, and this hit power-intensive rayon, rayon tyre cord divisions, and the caustic soda plant of the company.

The textile division registered a further improvement in the year, with textile exports up to Rs 153.9m from Rs 101.5m.

After-tax profits, at Rs 180.13m, against Rs 169.43m in 1978, because of a tax rebate of Rs 38.7m in the form of allowance for investment in new cement plant. Century entered the field of cement recently and presently has installed capacity of 1.4m tonnes, and another 1.2m tonnes capacity is to be added.

A new area of diversification is pulp and paper, for which Century has sought Government permission to set up a giant plant in the northern state of Uttar Pradesh. The project is expected to go into production in 1982.

Strike hits Lipton India

BY P. C. MAHANTI IN CALCUTTA

A FIVE-MONTH strike last year in Lipton India's main factory in Calcutta and the consequent loss of production, were responsible for a fairly sharp drop in the company's sales and profits for the financial year ended June, 1979.

Sales and other income fell to Rs 611.9m ($75m) from Rs 630.1m, pre-tax profit to Rs 19.26m from Rs 20.7m, and after-tax profit to Rs 5.3m from Rs 6.7m.

Lipton India is now a rupee company, its parent Unilever of the UK having sold 60 per cent of the equity last year to Indian nationals. As such Lipton India is free to expand and diversify its operations. However, this will be possible only when the company has fully recovered from last year's production loss and has settled down to normal operations on a stable basis.

Malaysian cable makers improve

BY OUR KUALA LUMPUR CORRESPONDENT

TWO CABLE companies on the Kuala Lumpur exchange, Malayan Cables Berhad and Federal Cables Berhad, have reported sharply increased profits for 1979, with higher sales arising from heavy orders from the Telecommunications Department and the demand in the housing and construction industry.

Pre-tax profits of the Federal Cables group rose from 2.9m to 8.7m ringgit (U.S.$3.7m), on turnover which increased by 40 per cent to 81m ringgit (U.S.$35m). The results were the best in the group's 14-year history.

Federal is paying a final dividend of 4 per cent tax free, making 7 per cent tax free for the year, and earnings per share rose to 30 cents.

Malayan Cables reversed a loss of 950,000 ringgit in 1978 to a pre-tax profit of 4.6m ringgit last year, on a turnover up from 18.8m to 41.2m ringgit.

The loss incurred in 1978 was largely due to low orders from the telecommunications Department during that year. The company is increasing its dividend to 17.5 per cent, from 10 per cent previously.

Joint unit trust venture in Singapore

By Georgie Lee in Singapore

OVERSEAS UNION BANK, one of the big four Singapore banks and Samuel Montagu, the UK merchant bank, will next week launch a new open-ended unit trust in Singapore.

OUB and Samuel Montagu have set up a joint venture known as OUB-Montagu Investment Management to operate the fund, which will be called Union Singapore Fund.

OUB-Montagu will be owned equally by the two banks. The joint venture will be the third group in Singapore to run open ended funds. The existing two are Singapore Unit Trust and Arbuthnot Latham Asia. OUB is already running a quoted closed-end investment trust, known as Overseas Union Securities.

The new fund will initially concentrate mainly on Singapore and Malaysian equities. However, it is the intention of the fund also to invest in internationarl markets.

MONEY and GOLD

THE POUND SPOT AND FORWARD

April 9	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1700-2.2025	2.1790-2.1810	par-0.10c dis	−0.27	0.55-0.65dis	−1.10
Canada	2.5575-2.5950	2.5705-2.5725	0.45-0.35c pm	1.87	0.98-0.88 pm	1.45
Nethlnd.	4.48-4.62	4.51-4.52	3-2c pm	6.64	8-7 pm	6.64
Belgium	66.10-67.55	66.35-66.45	8c pm-2 dis	0.54	34-24 pm	1.75
Denmark	12.80-13.11	12.80-12.82	1½-3½ore dis	−2.17	8¾-10 dis	−2.85
Ireland	1.1010-1.1140	1.1015-1.1030	0.08-0.02p pm	0.54	0.20-0.15 pm	0.63
W. Ger.	4.10-4.22	4.12½-4.13½	3⅝-2⅝pf pm	9.08	8⅞-7⅞ pm	8.11
Portugal	109.60-113.00	110.00-110.30	5c pm-35 dis	−1.63	5 pm-110dis	−1.91
Spain	156.00-158.75	156.00-156.15	35-85c dis	−4.61	195-270 dis	−5.96
Italy	1,918-1,944	1,918½-1,920½	4½-2½ lire pm	2.03	1½ pm-½ dis	0.16
Norway	11.03-11.22	11.03½-11.05½	3⅝-2ore pm	3.05	10½-8½ pm	3.39
France	9.50-9.71	9.53½-9.54½	4¼-3¼c pm	4.72	11¾-10¾ pm	4.51
Sweden	9.52-9.73	9.52-9.54	3¼-3ore pm	3.93	10½-9½ pm	4.30
Japan	548-568	551½-553½	2.30-1.85y pm	4.51	5.55-5.05 pm	3.84
Austria	29.40-30.25	29.40-29.48	21-16gro pm	7.54	60-50 pm	7.47
Switz.	3.88-4.02	3.89½-3.90½	3½-2½c pm	9.61	10¼-9¼ pm	10.51

Belgian rate is for convertible francs. Financial franc 68.70-68.80. Six-month forward dollar 0.73-0.83c dis, 12-month 0.35-0.45c dis.

THE DOLLAR SPOT AND FORWARD

April 9	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1700-2.2025	2.1790-2.1810	par-0.10c dis	−0.27	0.55-0.65dis	−1.10
Ireland†	1.9670-1.9770	1.9720-1.9740	0.10c pm-par	0.30	0.10-0.20dis	−0.30
Canada	1.1786-1.1813	1.1786-1.1789	0.26-0.21c pm	2.39	0.70-0.65 pm	2.29
Nethlnd.	2.0650-2.0760	2.0660-2.0700	1.27-1.21c pm	7.19	4.11-4.04 pm	7.88
Belgium	30.34-30.63	30.46-30.48	4-2c pm	1.18	16-13 pm	1.90
Denmark	5.8600-5.9050	5.8600-5.8700	0.60-1.10ore dis	−1.74	2.20-2.70dis	−1.67
W. Ger.	1.8750-1.9380	1.8935-1.8945	1.60-1.40pf pm	9.19	4.38-4.28 pm	9.14
Portugal	50.50-50.75	50.50-50.75	2c pm-13 dis	−1.30	15 pm-35dis	−0.79
Spain	71.50-71.90	71.50-71.65	20-40c dis	−5.03	60-80 dis	−3.91
Italy	880-885	881-882	1½-½ lire pm	1.36	2½-1 pm	0.79
Norway	5.0700-5.1050	5.0700-5.0725	1.70-1.20ore pm	3.43	6.00-5.50 pm	4.53
France	4.3350-4.3800	4.3725-4.3775	2.00-1.90c pm	5.35	6.50-6.25 pm	5.83
Sweden	4.3650-4.4030	4.3650-4.3675	1.70-1.50ore pm	4.40	5.90-5.70 pm	5.31
Japan	249.50-257.00	253.20-253.30	1.05-0.90y pm	4.62	3.20-3.05 pm	4.93
Austria	13.49-13.60	13.49-13.52	9.20-8.45gro pm	7.84	29.75-27.25pm	8.44
Switz.	1.7750-1.8425	1.7895-1.7905	1.65-1.55c pm	10.73	5.35-5.25 pm	11.84

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 8	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.578666	0.600539
U.S. $	13	1.23713	1.28792
Canadian $	14	1.46489	1.52824
Austria Sch.	5¾	17.4510	18.1661
Belgian F.	14	39.0995	40.1538
Danish K	13	7.57124	7.85114
D'Mark	7	2.43999	2.53462
Guilder	9½	2.66045	2.75936
French Fr.	9½	5.62152	5.84386
Lira	15	1125.79	1170.72
Yen	9	324.747	336.309
Norwgn. Kr.	9	6.45967	6.71004
Spanish Pts.	8	91.1146	94.9065
Swedish Kr.	10	5.59492	5.82655
Swiss Fr.	3	2.31034	2.40654

CURRENCY MOVEMENTS

April 9	Bank of England Index	Morgan Guaranty Changes%
Sterling	72.1	−33.0
U.S. dollar	89.8	−4.3
Canadian dollar	81.4	−17.3
Austrian schilling	153.3	+23.7
Belgian franc	114.2	+12.6
Danish kroner	105.9	−4.2
Deutsche mark	152.3	+43.6
Swiss franc	190.5	+74.6
Guilder	124.5	+19.6
French franc	100.4	−5.9
Lira	53.3	−50.8
Yen	114.8	+14.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

April 9	£	$		£ Note Rates
Argentina Peso	3823-3843	1751-1758	Austria	29.30-29.60
Australia Dollar	2.0085-2.0135	0.9240-0.9245	Belgium	68.65-69.25
Brazil Cruzeiro	105-106	48.14-48.34	Denmark	12.72-12.78
Finland Markka	8.35¼-8.37¼	3.8310-3.8340	France	9.47-9.53
Greek Drachma	90.229-93.356	41.75-42.15	Germany	4.11½-4.14½
Hong Kong Dollar	10.96-10.99	5.0325-5.0425	Italy	1900-1950
Iran Rial	n/a	n/a	Japan	554-559
Kuwait Dinar(KD)	0.598-0.608	0.2751-0.2752	Netherlands	4.49-4.53
Luxembourg Frc.	66.35-66.45	30.46-30.48	Norway	11.08-11.16
Malaysia Dollar	4.9650-4.9800	2.2800-2.2850	Portugal	107-113
New Zealand Dlr.	2.3095-2.3155	1.0615-1.0640	Spain	151¼-158½
Saudi Arab. Riyal.	7.24-7.34	3.3280-3.5310	Sweden	9.56-9.62
Singapore Dollar	4.9225-4.9400	2.2600-2.2650	Switzerland	3.89-3.92
Sth. African Rand	1.7615-1.7635	0.8080-0.8090	United States	2.177-2.186
U.A.E. Dirham	8.13-8.23	3.7350-3.7380	Yugoslavia	49¾-51¾

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4926	+1.77	+0.98	±1.53
Danish Krone	7.72336	7.81765	+1.22	+0.43	±1.64
German D-Mark	2.48208	2.52118	+1.58	+0.79	±1.125
French Franc	5.84700	5.81810	−0.49	−1.28	±1.3557
Dutch Guilder	2.74362	2.74724	+0.13	−0.66	±1.512
Irish Punt	0.668201	0.674820	+0.98	+0.20	±1.668
Italian Lira	1157.79	1178.33	+1.77	+1.49	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 9	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.180	4.130	552.5	9.540	3.900	4.515	1923.	2.572	66.40
U.S. Dollar	0.459	1.	1.894	253.4	4.376	1.789	2.071	880.5	1.180	30.46
Deutschemark	0.242	0.528	1.	133.8	2.310	0.944	1.093	464.8	0.623	16.08
Japanese Yen 1,000	1.810	3.946	7.475	1000.	17.27	7.059	8.172	3474.	4.654	120.2
French Franc 10	1.048	2.285	4.329	579.1	10.	4.088	4.733	2012.	2.695	69.60
Swiss Franc	0.256	0.559	1.059	141.7	2.446	1.	1.158	492.2	0.659	17.03
Dutch Guilder	0.221	0.483	0.915	122.4	2.113	0.864	1.	425.1	0.570	14.71
Italian Lira, 1,000	0.521	1.136	2.152	287.8	4.970	2.032	2.352	1000.	1.340	34.59
Canadian Dollar	0.389	0.848	1.606	214.9	3.710	1.517	1.756	746.5	1.	25.82
Belgian Franc 100	1.506	3.283	6.220	832.1	14.37	5.873	6.800	2891.	3.873	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.50-18.60 per cent; three months 18.60-18.70 per cent; six months 18.15-18.25 per cent; one year 16.80-16.90 per cent.

April 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅛-16⅝	18⅜-18⅝	10-11	10¼-10½	8-20	8⅛-8⅜	12¼-12½	12-14	18¾-18⅞	8-10
7 days' notice	17¼-17⅝	18⅜-18⅝	11-12	10⅜-10⅝	7-7½	8⅛-8⅜	12⅜-12⅝	14-16	18⅞-18⅞	10¾-11¼
Month	17⅝-17⅞	17¾-18	15-15¼	10⅝-10⅞	6⅞-6⅞	8⅞-9⅛	12¾-13	16¼-17¼	17⅞-18	12⅝-12⅞
Three months	17⅞-18	18⅞-19⅛	16-16¼	11-11¼	6⅞-6⅞	9⅛-9⅜	13-13¼	18-18	19¼-19⅜	13⅞-14
Six months	17½-17⅝	18⅛-18⅜	15½-15¾	11⅝-11⅞	7⅛-7⅜	10⅛-10¼	13⅝-13⅞	18-19	18½-18⅝	13½-13¾
One year	16⅞-16⅞	16⅞-17⅛	15⅛-15⅜	11⅞-11⅛	7⅛-7⅜	10-10⅛	13¾-14	18-19	17⅛-17¼	11⅞-12⅛

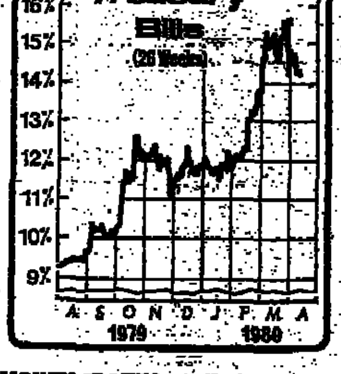
Long-term Eurodollar two years 15¾-16 per cent; three years 15¼-15½ per cent; four years 15-15¼ per cent; five years 14¾-15 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Frankfurt nervous

Short-term interest rates were firm in Frankfurt yesterday, with call money rising to 9.30-9.50 per cent from 9.20-9.30 per cent. One-month and three-month also rose, but six-month and 12-month were unchanged. Trading was nervous following the announcement that the Bundesbank is to hold an unscheduled central council meeting today. The central bank stressed that the meeting, although unexpected by the money market, is not extraordinary. With money in short supply at the moment, a move to increase market liquidity is considered possible through the easing of banks' minimum reserve requirements. On the other hand there was speculation that the German authorities may consider raising interest rates to reduce the differential between Frankfurt and New York, following the recent weakness of the D-mark against the dollar.

Another factor tending to confuse the general picture was the sudden recovery of the D-mark against the dollar. On Tuesday the U.S. currency touched a best level of DM 1.9780, but fell below DM 1.8900 yesterday amid signs that U.S. interest rates may have peaked, and that Middle Eastern interests were selling dollars following the worsening crisis between Washington and Tehran. This was also reflected in a further sharp rise in the gold price, but the renewed strength of the D-mark in terms of the dollar and against European Currency System members cast doubts about present Bundesbank policy.



GOLD

Further rise

Gold rose $8 an ounce in the London bullion market yesterday to $545-550. Trading was erratic and fairly heavy for most of the day but the metal stayed within a range of $545-560. It opened at $545-550 and was fixed at $547 during the morning before improving at the afternoon fixing to $554.

In Paris the 12½ kilo bar was fixed at FFr 78,000 per kilo ($554.01 per ounce) compared with FFr 78,000 ($555.15) in the morning and FFr 76,000 ($520.30) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,650 per kilo ($547 per ounce) compared with DM 32,960 ($520.03) previously. The metal closed at $552-557 against $537-542.

In Zurich gold finished at $549-554 compared with $535-540 on Tuesday.

	April 9		April 8	
Gold Bullion (fine ounce)				
Close	$545-550	(£250¼-252¾)	$537-542	(£248-252½)
Opening	$545-550	(£248¾-251¼)	$514-519	(£240½-243)
Morning fixing	$547	(£250.515)	$518.40	(£242.243)
Afternoon fixing	$554	(£253.257)	$528	(£245.696)
Gold Coins				
Krugerrand	$565-570	(£259-262)	$554-559	(£255-258)
Mapleleaf	$560-565	(£257-260)	$550-560	(£253-258½)
New Sovereigns	$140-143	(£64¼-66¼)	$137-140	(£63-65)
King Sovs.	$160-165	(£73-76)	$155-160	(£71-74)
Victoria Sovs.	$160-165	(£73-76)	$155-160	(£71-74)
French 20s	$134-139		$127-132	
50 pesos Mexico	$688-693		$645-655	
100 Cor. Austria	$540-550		$515-523	
$20 Eagles	$655-665		$630-640	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Moderate help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave moderate assistance by buying a small amount of Treasury bills from the discount houses and banks, and by buying a small number of local authority bills from the houses.

Banks brought forward small surplus balances, and there was a small surplus of Government disbursements over revenue payments to the Exchequer. On the other hand the market was faced with the repurchase of bills previously sold to the authorities, repayment of the small amount lent to the houses on Tuesday, a small net take-up of Treasury bills, and a small amount of maturing local authority bills held in official hands.

Discount houses paid about 16⅞ per cent for secured call loans in the early part, and closing balances were taken at 16-16½ per cent.

In the interbank market overnight loans commanded 17-17¼ per cent at the start, and eased to 16-16½ per cent, before rising to 16¾-17 per cent at lunch, and declining to 16-16½ per cent at the close.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK	
Prime Rate	20
Fed. Funds	17½-17¾
Treasury Bills (13-week)	14.35
Treasury Bills (26-week)	14.25
GERMANY	
Discount Rate	7
Overnight Rate	9.40
One month	9.55
Three months	10.55
Six months	10.60
FRANCE	
Discount Rate	9.5
Overnight Rate	12.25
One month	12.5625
Three months	13.1875
Six months	13.3125
JAPAN	
Discount Rate	9
Call (Unconditional)	12.0625
Bills Discount (three-month)	13.8125

LONDON MONEY RATES

April 9 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	16-17¼	—	—	—	17¼-17⅝	16½-16⅞	—	—	—
2 days notice	—	—	17⅞-18¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17⅛-17¾	18-18¼	—	18⅜	17⅞-18⅛	16⅞	—	—	—
One month	17⅞-17¾	17⅞-18	18-18¼	19⅛-18⅞	18⅝	18¼	16¾	16½	17⅜	18⅝
Two months	18-17⅞	17⅞-18⅛	—	19⅛-18⅞	18½	—	16¾	16½	17⅝	18¼
Three months	18-17⅞	17⅞-18⅛	18¼-18⅝	19-18½	18⅝	18¼-18½	16⅝	16⅜-16⅝	17⅜	18⅛
Six months	17½-17⅜	17¾-18	17¾-18⅛	17¾-17⅝	18⅜	18	—	—	16⅞	17⅛
Nine months	16⅞-16¾	16¾-17⅛	—	17¾-17⅝	18⅛	—	—	—	—	—
One Year	16⅝-16½	16⅞-17	17-17½	17¼-17	18⅛	17½	—	—	—	—
Two years	—	—	16½-17	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 16-16⅛ per cent; four years 16¼-16⅛ per cent; five years 15½-15⅞ per cent. ΦBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17 per cent; four-month trade bills 17⅞ per cent.

Approximate selling rates for one-month Treasury bills 16¹⁄₃₂-16⁵⁄₁₆ per cent; two-month 16⁵⁄₃₂-16⅜ per cent; three-months 16⅜ per cent. Approximate selling rates for one-month bank bills 17²³⁄₃₂ per cent; two-months 17⅞ per cent; three-months 17⅞ per cent; one-month trade bills 18⅛ per cent; two-months 18 per cent; and three-months 17⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.3039 per cent.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.260	—	—	5	3.40	—	—	F.266.50
AKZ C	F.22.50	100	0.60	4	2	—	—	F.22.80
AKZ C	F.25	—	—	85	0.80	59	1.10	"
AKZ P	F22.50	—	—	10	1.60	—	—	"
ARB C	F.55	10	1.30	—	—	—	—	F.55.80
HEI C	F.70	4	2.70	1	4.50	—	—	F.71.30
HEI C	F.75	—	—	4	1.70	—	—	"
HEI P	F.70	—	—	8	4.80	—	—	"
HO C	F.17.50	—	—	4	1.80	—	—	F.18.10
KLM C	F.60	—	—	2	5.50	—	—	F.62
KLM C	F.70	—	—	17	1.80	5	3.20	"
KLM C	F.80	—	—	20	0.50	—	—	"
KLM P	F.60	63	1.70	65	4.70	1	6.80	"
KLM P	F.70	18	8.80	—	—	—	—	"
KLM P	F.80	—	—	6	19	—	—	"
NN C	F.115	4	0.10	40	1.40	—	—	F.107.70
PET C	Fr.6000	—	—	—	—	1	200	Fr.4860
PHI C	F.17.50	10	1	—	—	20	1.80	F.18.40
PHI C	F.20	—	—	—	—	4	0.80	"
PHI P	F.17.50	—	—	16	1.20	—	—	"
PHI P	F.20	1	1.50	3	2.50	—	—	"
PSA C	F.260	—	—	3	9	—	—	F.235.80
PSA C	F.280	—	—	3	6	—	—	"
RD C	F.140	8	10	—	—	—	—	F.150.60
RD C	F.145	16	6.50	—	—	2	11	"
RD C	F.150	151	2.70	66	5.30	—	—	"
RD C	F.160	17	0.20	243	3.30	32	5.30	"
RD C	F.170	—	—	250	1.10	31	3.10	"
RD P	F.140	55	0.20	31	4.80	1	8	"
RD P	F.145	82	0.80	—	—	—	—	"
RD P	F.150	49	2.20	10	10.30	—	—	"
RD P	F.160	20	12	3	16	—	—	"
RD P	F170	—	—	5	25.20	—	—	"
UNI P	F.110	3	5.70	10	10.50	—	—	F.104
XON C	$55	14	1¼	—	—	—	—	$55
		May		Aug.		Nov.		
SLB C	$110	10	2⅝	—	—	—	—	$101⅞
SLB C	$120	—	—	5	3¾	4	7½	"

TOTAL VOLUME IN CONTRACTS 3017

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

WORLD STOCK MARKETS

Fresh early Do

TUESDAY'S recovery movement on Wall Street was extended yesterday morning in another moderate business, with Oils and Pre-Precious Metal shares again leading the way. Sentiment was aided by some god corporate profits reports.

The Dow Jones Industrial Average picked up 3.58 more to 778.58 at mid-day, while the NYSE All Common Index was 33 cents higher at $57.71 and advances outscored falls by a nine-to-four margin. Trading volume came to 18.02m shares, slightly exceeding the previous day's noon total of 17.81m.

Analysts said, however, that the continued moderate pace of turnover indicated many traders were still on the sidelines. Fears of a severe recession coupled with high interest rates and inflation were keeping investors cautious, they added.

Presidential inflation adviser Kahn stated that a recession could be avoided, but J. P. Morgan and Co. chairman Lewis T. Preston said chances of a simultaneous recession in major industrialised countries have increased.

Among the Oils, active **Phillips Petroleum** rose 1⅛ to $40⅞. **Mobil** 1¾ to $66, **California Standard** ½ to $64 and **Exxon** ¾ to $55⅞.

McMoran Oil added ⅞ at $34⅜ adn **Louisiana Land and Exploration** ⅜ at $36⅝. They have plans for production from a recent Gulf of Mexico oil and gas find.

In the Gold and Silver group, **Dome Mines** gained 1¾ to $58½, **Rosario Resources** 2½ to $58½, **Hecla Mining** ½ to $46½, and **Engelhard Minerals** 1⅛ to $29.

J. P. Morgan put on ⅞ to $44⅞ after reporting improved first-quarter profits. **Teledyne**, on increased March-quarter net profits, picked up ¼ to $125¾.

Raytheon, however, lost ½ to $67½ despite higher first-period results. Last week, Raytheon said 1980 earnings growth would slow from recent levels, although the year would be a good one.

Volume leader **Mead** lost ¼ to $20⅝, after announcing only slightly higher first-quarter earnings. **Celanese** gained ⅜ to $41⅜. It reported higher March-quarter net and raised the dividend.

Becton Dickinson advanced 2¼ to $33½. **American Home Products** plans to buy about $15m worth of Becton, which Becton said would be 2.5 per cent at current prices.

THE AMERICAN SE Market Value Index strengthened 3.65 to 240.65 at noon. Volume 1.69m shares (1.65m).

Canada

Stocks mostly gained further ground in fairly active early dealings. The Toronto Composite Index rose 23.0 to 1,835.6 at mid-day, while the Oil and Gas index climbed 85.7 to 4,012.8, Golds 87.4 to 2,894.9 and Metals and Minerals 37.7 to 1,884.6.

Tokyo

Encouraged by the overnight Wall Street rally and a steadier performance by the yen against the dollar on the Tokyo foreign exchange market, Tokyo shares tended to rally early yesterday, led by speculative issues. However, Oils and Trading Houses, Non-ferrous Metals, and Light Electricals such as **Sony** and **Pioneer Electronic**, came under selling pressure later in the day and closed prominently lower.

The Nikkei-Dow Jones Average recorded an improvement of 25.70 at 6708.24, although gains on the First Market section only led declines at the close by 314 to 283. There was another fairly active trade, volume reaching 380m shares (360m.

Yamakuni Pulp was actively bought and rose Y38 to Y213 on expectations that its sales of oil exploration products will increase.

Kanto Denka Kogyo, a major manufacturer of magnetic materials, also met speculative attention and climbed Y47 to Y685.

Sydney All Ordinaries index re... retreating 30 cents the previous ... covered 8.64 to 196.25 and the day.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

JAPAN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Financial Rand US$0.88½ (Discount of 28%)

Spanish prices Page 24

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

The burden to be shouldered by London

NOW THAT the Government has issued its long-awaited statement on overall airports policy, there is at last a broad framework for the development of airports in this country within which the various elements of civil air transport—the British Airports Authority (BAA), the airlines, the local authorities and the Civil Aviation Authority (CAA)—can work. Some elements of final policy are still subject to final decisions by the Government in the light of Public Planning Inquiries either now in progress, or yet to be held, but at least there is now a clearer idea of thinking at the top than has been available for a long time past.

Broadly, the Government's strategy is based on the assumption that, notwithstanding rising costs of fuel and economic slow-downs in various countries, including the UK, that may affect the overall growth of air transport, there will still be a steady expansion through the 1980s. This is likely to result in somewhere between 98m and 116m passengers a year in the UK by 1990, of which between 69m and 81m a year will be in London and the South East. While the demand is likely to be more towards the lower than the upper end of the scale, the passenger growth will be such as to justify an expansion in the available airports capacity in the country as a whole.

Expansion

The problem of providing sufficient airport capacity to meet this expansion will fall largely on London and the South-East where the existing airports—Heathrow, Gatwick, Stansted and Luton—are collectively capable of handling about 50m passengers a year, of which Heathrow can cope with 30m, Gatwick 16m, Stansted 1m and Luton 3m.

By raising Heathrow's capacity to 38m passengers with the provision of a fourth terminal; raising Gatwick's capacity to 25m with the provision of a second terminal; by developing Stansted to cope with 15m passengers a year; and expanding Luton to cope with 5m, an overall capacityl of 83m passengers a year could be available by 1990, well within the forecast of likely growth.

Accordingy, the Government has decided broadly that there shall be a fourth terminal at Heathrow (a Public Planning Inquiry into this has already been held, and the development approved by the Inspector concerned, subject to some operational limitations on the use of the airport at night). At the same time, it has been decided to press ahead with the Public Planning Inquiry into the proposed second terminal at Gatwick.

This Inquiry has now begun its work, and is expected to complete it some time this spring or early summer. The Inspector's report is likely to go to the Government before the end of the summer, and a Government decision for or against the second terminal is likely by the end of this year or early in 1981. If it is favourable, work could begin next year, and the terminal could become operational by about 1984-85.

The most controversial element of the Government's policy, however, has been to favour the further development of Stansted, Essex, from its present low level of less than 1m passengers a year to a capability of handling 15m passengers a year with a single runway by the mid-1980s, with the option to develop it further if necessary to 50m passengers a year, with a second runway. This option, which is being kept open for the time being, would if implemented ensure that Stansted became the "expansion chamber" for air traffic in London and the South-East, providing more than enough capacity to handle all foreseeable air traffic growth in the region through to the end of the century and even beyond.

The first stage of the Stansted development—to 15m passengers a year—is to be the subject of a Public Planning Inquiry, probably starting later this year, which will take many months to complete in view of the severe environmental objections the proposal has aroused.

The Government's case for all these proposals is that they are based upon the expansion of existing airport facilities, and do not involve the development of any new "greenfield" sites. The view prevailing in Whitehall is that such new sites are now virtually unacceptable to the community at large, not only because of the environmental problems they would cause, but also because of the heavy drains on money, manpower and other resources they would involve.

For the same reasons, the remaining major element of the Government's policy is that every effort should also be made to encourage a greater proportion of the overall air traffic to and from the UK to use the many provincial airports that exist, so as to reduce the pressures on London and the South East.

But, inevitably, there have been many criticisms of the Government's policy. While it is accepted that the fourth passenger terminal at Heathrow will do much to ease the strain there, at least one major airline—British Airways, the biggest single user of Heathrow—wants to see even further development there, with the provision of a fifth terminal on a site at the western end of the airport, despite the Government having already specifically ruled out such a plan.

At the same time, many airlines using Gatwick, south of London, believe strongly that it will be difficult, if not impossible, to get eventually between 16m and 25m passengers into and out of that airport with only one runway. To some extent the logic of that argument has been accepted by the BAA, which has said that it will develop the existing taxi-way in such a way that it could serve as an emergency runway in the event of the single main runway being blocked by an accident. But construction of another main runway at Gatwick is virtually impossible, because of lack of availability of land, and the very severe environmental resistance that any such development would be bound to generate.

As it is, even the plan to build a second passenger terminal at Gatwick, to lift its capacity from the present 16m to 25m passengers a year, has run into fierce environmental opposition at the Public Planning Inquiry. Similarly, even before the Public Planning Inquiry into the development of Stansted from 1m to 15m passengers a year gets underway, the plan is generating a growing volume of opposition, and the BAA is bound to have a rough ride when the Inquiry finally gets under way.

Thus the Government's policy for airport development cannot be regarded as a final statement. With the reports from two major Public Planning Inquiries yet to be received, and with no certainty that in either case the Inspectors conducting those Inquiries will find in favour of the proposed developments, no-one can say for certain that the Government's plans will come to fruition without some modification. The onus is now on the BAA itself, with the support of the air transport community as a whole, to convince the Inquiries, and thus subsequently the Government, that the second terminal at Gatwick and the further expansion at Stansted are essential.

If they should fail to carry the day, and if the Inspectors produce such adverse reports as to oblige the Government to abandon either one or the other of the proposed schemes, the entire policy for future airport developments in London and the South-East will be thrown once more into jeopardy, with all that means for the development of air transport to and from the UK.

In such a case—almost a nightmare consideration for the BAA and the planners in Whitehall—there would have to be serious reconsideration of the possibility of the fifth terminal at Heathrow, and perhaps also a revival of the plan for some new "greenfield" site airport, perhaps on reclaimed land off the coast, despite current Government claims that such notions are dead.

The fact is, in such an emotionally volatile situation as airport development, no plans, no matter how far-fetched, can be considered dead. The best that anyone in civil aviation can hope for in the current situation is that the current Public Planning Inquiry at Gatwick, and the prospective Inquiry at Stansted, will result in decisions in favour of the new developments there.

If not, there will have to be yet another re-examination of policy, with another (perhaps long-delayed) Government decision, and yet another round of public debate, extending well into the 1980s a controversy over airports policy that has been running without successful conclusion since the early 1950s.

M.D.

Regional authorities willing to help

APART FROM the four main airports in London and the South-East (Heathrow, Gatwick, Stansted and Luton) there are 39 other airports throughout the UK. In 1978, the last full year for which complete statistics are available, the four London and South-East airports collectively accounted for just over 36.6m passengers, or just over 70 per cent of the 53.4m passengers handled by all the 43 airports listed by the Civil Aviation Authority (CAA) in the UK.

The biggest of these "regional" airports outside London and the South-East is Manchester, with over 3.49m passengers in 1978, or 6.53 per cent of all the terminal passengers in the UK, making it the third largest airport in the UK after Heathrow and Gatwick. Figures for 1979 show that Manchester's passenger movements rose slightly to 3.52m, while the number of aircraft movements actually declined a little, to 60,922.

The other major regional airports, in order of size—according to the CAA's 1978 statistics—were Glasgow in fourth place with over 2.15m passengers, or 4.13 per cent of the total; Birmingham, with over 1.3m passengers, in sixth place (after Luton in the south east with 2m plus), or 2.5 per cent; followed by Aberdeen (1.2m), Belfast (1.18m) and Edinburgh (1.14m). All the others handled less than 1m passengers each.

It must be borne in mind, however, that during 1979, all these airports experienced a growth in activity, and when the full statistics become available, it is likely that some airports may have changed places in the league table of passengers handled.

But if the figures prove anything at all, it is the undoubted prominence of London and the south-east in UK civil aviation, with the heaviest emphasis on Heathrow, followed by Gatwick. This confirms that the majority of all air travellers, both international and domestic, do want to fly to and from the south-east in preference to other parts of the country.

Strain

But this in turn does not alter the fact that there is a growing volume of traffic to and from regional airports in the UK. This gives substance to the plea frequently made by those airports for a greater volume of international air services to and from those centres, so as not only to improve their own business situations but also to help take some of the strain off the airports in the South-east.

Just how far it will ever be possible to stimulate a major diversion of traffic from London and the South-east to the regional airports is debatable. Local airport directors and business associations constantly press the airlines for new international air services to and from their cities, and in recent years it has been the increasing practice of the CAA to grant licences for such services where a reasonable demand can be seen to exist.

It is arguable, however, whether the CAA has done enough in this direction, and whether by rewriting the guidelines given to it by the Government, the Authority can itself be encouraged to promote more international air services from provincial centres to the Continent and even further afield, as well as a greater number of internal domestic operations.

The point made most frequently by the airlines—whose investment is after all what is at stake in any new air services—is that local authorities and businessmen frequently over-estimate the demand for new international air services, and that often when these are introduced it takes a long time and sometimes considerable financial losses before traffic reaches a level to ensure profits.

There is also no doubt that there are many international destinations to which services from the provinces must be regarded as unrealistic. It is hardly likely, for example, that any scheduled airline, British or foreign, would have enough traffic to justify the introduction of a profitable service, say, between Leeds/Bradford and Johannesburg.

On the other hand the introduction of a greater number of scheduled short-haul international services from many provincial airports directly to and from the Continent may well be justified, provided aircraft of the right size and type are used initially. Demand that may not justify even a One-Eleven twin-engined jet airliner may be more than adequate to justify the use of, say, a smaller 20-seat Bandeirante twin turbo-prop or even a Fokker F-28 jetliner.

Some of the smaller scheduled airlines, such as Air UK, have proved that they can make money by using small aircraft directly between provincial centres and the Continent, often enabling businessmen to by-pass Heathrow and Gatwick entirely, flying to such centres as Amsterdam, Brussels, Copenhagen and Paris to make their long-haul international connections.

It is significant that some of the more enlightened regional airports, such as Manchester (where a major improvement scheme, including lengthening the runway by 800 feet to 10,000 feet, is now planned as part of an over £150m expansion programme for the 1980s), are making determined bids to interest more and more airlines in the facilities they have to offer.

What is clear is that the regional airports in the UK collectively have an increasingly significant role to play in the development of air transport in this country through the 1980s. Of the 43 airports listed by the CAA, 34 are below the 1m. passengers a year level, while 32 of them are even below the half million passengers a year level. But even allowing for the fact that all these are single-runway airports, it is clear that their potential for expansion is vast.

Judicious

Even if each airport now handling below 1m. passengers a year could be raised to that level — and few of them could not, through the provision of additional terminal facilities and improved aprons and taxiways for aircraft, but without the need for lengthening existing runways—the existing UK airports pattern could handle close to another 20m passengers a year. By judicious investment in lengthening and strengthening runways at some of the biggest of these provincial airports, other than at Manchester and those airports belonging to the British Airports Authority, where long-term development plans already exist, it is probable that this growth figure could be even doubled through the 1980s.

Thus, throughout the regional airports as a whole, there is a substantial reservoir of untapped potential. Much of this is likely to be tapped during the 1980s by the growth of local demand for air services, but even so there is still a considerable volume of capacity which, if exploited, could take some of the strain off London and the South-East.

But it must always be remembered that this growth is likely to evolve naturally, and is not likely to be forced by decisions on the part of central government.

No-one can force a foreign businessman or tourist to go anywhere he does not wish to go. But they can be encouraged by the development of bigger and more internationally-minded business communities, and by the evolution of attractive tourist facilities.

It is a fact that some local authorities anxious to see their airports expand still deny would-be developers the right to create the business and tourist infrastructures that such airport expansion demands, particularly new hotels, while some even do nothing at all to make their areas pleasant and welcoming to visitors. Local authorities wishing to see their airport activities expand in the 1980s would be helping themselves more by encouraging the development of local industry and tourism than by criticising the central government for not doing more to push airlines in the direction of their fine new airports.

M.D.

Package contracts key to success

AIRPORT DEVELOPMENT and expansion programmes represent one of the few remaining growth areas in an international civil engineering market where work has been progressively more difficult to find.

The planning, building, developing and equipping of airports throughout the world today provides what is arguably the biggest and most consistent international growth industry. Estimates suggest that more than £30bn will be spent in establishing and expanding air terminals and systems over the next decade.

In the last five years there have been around 360 airport development schemes of one kind or another undertaken in the developing countries alone and the value of current business throughout the world—once equipment and ancillary activities are included (but excluding the U.S.)—is put at something between £37bn and £40bn.

At the heart of the airport boom are the ambitioons of the developing world, where aviation provides the modern answer to lack of road and rail communications, and the demands of those countries where the growth in air transport is demanding almost continuous reappraisal and upgrading of existing facilities.

Competition for airport contracting work is intense, with nations like France, West Germany, Yugoslavia, Bulgaria, the U.S. and even China vying for business. The general belief is, however, that the UK civil engineering fraternity has been slow off the mark in both realising the potential and in taking a share of the work Some estimates suggest that British contractors are managing to take about one in five contracts now being awarded.

While the success rate on the part of Britain's consulting engineers in airport work is altogether better, there is a long-standing complaint that in their determination to ustain a reputation for sound professional ethics and impeccable impartiality, the consultants refuse to give any special consideration to UK companies seeking a share of the business. Some critics go so far as to suggest that the involvement of a UK consultant in a project can actually reduce the chances of British companies obtaining work.

More important, however, there seems little doubt that the British effort generally is characterised by a comparative lack of Government support, whereas many competing nations can expect a degree of State backing which may prove instrumental in winning tenders.

In many cases a foreign government will be closely involved in every aspect of negotiations and several companies will unite in a combined approach to win the work involved. There is invariably an acceptance that, apart from the main contract itself, companies of the same nationality will receive all or most of the ancillary business.

The UK approach has been generally far less co-ordinated, with the result that individual organisations first try in vain to secure large contracts, then reluctantly join forces with competitors only to find that the initiative has been taken too late.

On other occasions companies withdraw from proposed schemes having fought through the pre-qualification process — leaving no UK representative on the short list and providing no opportunity for other cometitors to take their place.

A great deal can be at stake, with airport projects costing anything from £25m to £150m-plus. The civil engineering content of such major contracts can be anything between 40 to 60 per cent of the total and a growing number of competitors are realising that the recipe for success — particularly in the case of developing nations — rests on two principal considerations.

The first of these entails the ability to provide a comprehensively packaged scheme, including design, civil engineering and building work, equipment and services. The second, which most packages now have to offer, is the provision of finance on fair terms.

In many respects it is the financial package which holds the secret to success or failure. The provision of good credit funding facilities as part of an overall approach is what most clients in the developing world are looking for and not to offer them can place the competitor at a substantial disadvantage.

There have been suggestions that this type of comprehensive approach to all forms of construction - associated work badly requires a focal point in the UK, capable of identifying business opportunities and co-ordinating every facet of the export effort. Where the responsibility should fall is a subject of continuing debate and the concept of a central clearing house to oversee and draw together such an initiative is—judging by past efforts—easier to contemplate than to put into effect. It has been suggested, for example, that public sector engineering design services could be much more usefully and closely employed in the export effort, though the private consultants would no doubt resist any concerted effort which threatened to deprive them of overseas work in the same way the public sector has taken a growing share of domestic business from them.

While the debate about general strategy goes on, some specialist companies in the airports field are responding to what they see as a frustrating national deficiency by providing their own packaged approach—something which perhaps only three or four major UK consultants have the capability to offer.

Concept

An example is Plessey Group which in putting forward the complete airport facility concept to provide the most cost-effective — though not necessarily the cheapest — method of ownership for the client. Plessey has spent three or four years building up a bedrock of "package" experience, concentrating on West Africa.

Even in the UK, however, airports *currently* represent a major source of business for the designer-contractor team. The British Airports Authority, which is also pursuing foreign work via its British Airports International joint venture, is to spend £100m in 1980-81 in expanding and developing domestic air terminals. The figure compares with an annual budget of around £35m a year up to now, and over the next four years the BAA will be spending in the region of £630m in all.

The bulk of the money will go on the fourth terminal at Heathrow, the second terminal proposed for Gatwick—a public inquiry is under way—and on initial devolopment of the third London airport.

At Heathrow, where the new terminal is expected to cost about £140m, work is due to start later this year and a managing contractor is expected to be announced shortly. Heathrow has a current capacity of 30m passengers a year and actually handles about 28½m. The new terminal will provide capacity for another 8m. The size of the Heathrow scheme will, it is claimed, severely stretch the capabilities og some branches of the UK construction industry (especially on the building products and mechanical side) and if suppliers in other EEC countries seek to tender they will be evaluated in the same way as any British company.

At Gatwick a 16m-passenger annual capacity (half of which is now taken up) will be boosted by another 9m if the second terminal goes ahead. Even if it is built, however, the airport is expected to confront a capacity problem by 1987 and the need for a third London airport will by then, according to the forecasts, have become critical. Only Stansted, says the experts, could provide the solution within that sort of time-scale.

Michael Cassell

Need for unified attack on equipment market

BRITAIN IS moving slowly towards a more co-ordinated approach to the export of complete airport designs and high value equipment vital for an airport's safe and efficient operation.

The greatest initiatives so far have come from Government and private industry, in concert and separately. The common object has been to bring together the expertise of at least some of the estimated 500 British companies now involved in airport design and technology.

A number of approaches have been adopted by the industrial companies. One is the grouping of approximately a dozen specialist equipment manufacturers in the British Airport Equipment Group, which aims to co-ordinate marketing on behalf of member companies.

A different line is followed by British Airports International. This is a joint venture company formed by the State-owned British Airports Authority and the private sector company International Aeradio "to promote Britain's airport-related services and products abroad."

A third private-sector approach to co-ordinating export effort has been developed by Plessey. The company has an airport systems divisions which bids for complete airport contracts.

Work outside Plessey's traditional area of radar and communications equipment is subcontracted to outside companies. However, these are not necessarily British, as the airport system division seeks the most appropriate equipment for a particular contract and even Plessey's own equipment may not be specified.

The other main participant in the general atempts to coordinate British airport and equipment export is the Government.

Officials have taken a lead in identifying the apparently substantial shortcomings which have characterised much of the British airport equipment industry's export record. The biggest recent effort towards a more unified national effort in airport and aiport equipment exports has come through the Civil Engineering Economics Development Committee, which developed its initiatives on airport exports in November 1978 at a meeting with industry representatives.

The main practical initial idea to come out of the committee's considerations of the problem was the British Airport Equipment Catalogue. This was suggested by officials and industry representatives as one of the most useful actions to help promote UK airports exports.

So far over 200 companies in the airport equipment and services field have agreed to take part in the venture. By next year the total is forecast to rise to approximately 500 companies, which would represent almost the total complement of the UK airport industry. These companies are all vying for part of the substantial investment forecast as likely to be needed between now and 1988.

The Civil Engineering Economic Development Committee has now handed the main responsibility for tackling the problems of airport and equipment exports to the Overseas Projects Board — though it is maintaining a monitoring role. A meeting of the committee last year showed that an enormous volume of extra work could be won by British companies—but only if UK airport development resources, in the public and private sector, were better co-ordinated.

An analysis by the committee, sent to Mr. Michael Hesaltine, Environment Secretary, showed that British industrial performance was particularly weak for airport projects over £50m. Mr. John Nott, Trade Secretary, has also been sent the comments and a response from his office is expected soon.

The particular problems affecting the export success of Britain's airport equipment industry indicate a need for co-operation between the three main public bodies involved in airports — the British Airports Authority (BAA), the Civil Aviation Authority (CAA) and the Cable and Wireless Company, which has expertise in ground and air operations. The BAA has expertise mainly on ground installations and traffic movements, while the CAA has wide knowledge about aircraft movement and control.

All the bodies could contribute to the success of Britain's airport industries in export markets, but the committee believes a case exists for a clarification of their respective roles.

Other problems facing airport equipment exporters come when British civil engineering contractors fail to bid for an overseas contract. Often, it appears, the civil contract may appear less attractive alone, than it would if viewed as part of a total airport contract.

The result is that whe na foreign contractor wins the work, opportunities for British equipment, service and materials suppliers are lost. NEDO officials believe that more British contractors may be tempted to bid if a "group" approach were to be adopted.

But a central part of the problem, at least at the moment, is that the British airport export effort lacks leadership. This stems from the "fragmented" nature of the industry, which in turn has been a cause of low performance and also a reason why so little has been done until now to improve matters.

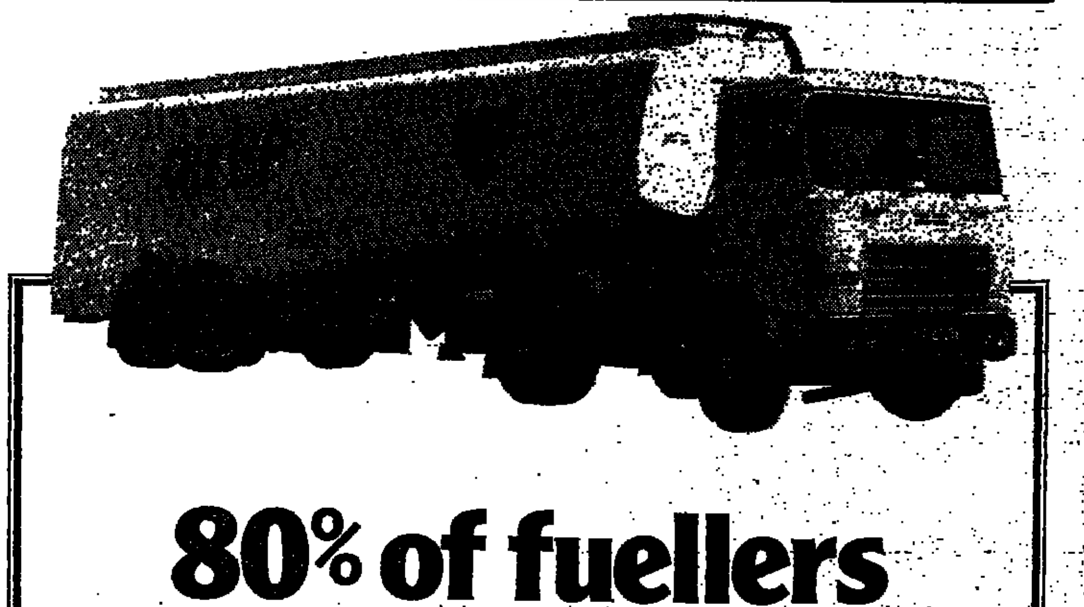
This is precisely what the Civil Engineering NEDC officials—whose original thoughts led to the airport equipment catalogue—would like to see. The committee believes that most of the export problems facing the industry would be overcome, and future problems would be less likely to arise, if only one organisation was given resposibility for developing the sucess of the UK airport design and equipment export effort.

As an interim measure, it is suggested that a "trading company" should be formed, which could be used as a platform to proclaim UK expertise in airports to the world. Plessey has shown an interest in taking a lead in such a company, but since it would almost certainly have to involve the State-owned bodies now involved in airport operations and design, a Government commitment would be

The "trading company" for airport exports would, according to the committee, work towards £50m to £100m projects as the only British bidder.

Such arrangements may create new opportunities for British airport product as well as reducing the marketing costs for the companies involved.

Lynton McLain



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Big slump in UK pig breeding

BY RICHARD MOONEY

THE UK pig breeding herd will slump to its lowest level for nearly 20 years this summer, Mr. Richard Butler, president of the National Farmers' Union, predicted yesterday.

The herd was already at its lowest level since 1966 at the time of the December farm census and the number of pregnant sows was down sharply, Mr. Butler said.

"Our forecast is that by June the breeding herd will be at its lowest level since 1961," he added.

He blamed the decline in the fortunes of the British pig industry on the EEC's Common Agricultural Policy and "manipulation" of Britain's agricultural exchange rate by the Labour Government.

This resulted in import subsidies which had depressed the UK industry while encouraging production in other EEC countries.

"Since we joined the EEC in 1973, the UK share of the total Community pig breeding herd has dropped from 14 per cent to 10 per cent," the NFU president noted.

"At the same time the Dutch and German herds, aided by positive MCAs (monetary compensatory amounts), increased *from 11 per cent to 14 per cent,* and from 27 per cent to 30 per cent respectively."

He said the share of the total herd in Denmark, where the "green" currency had been kept at par, had remained fairly stable.

Britain's pig industry had been penalised almost beyond survival by the politicians, Mr. Butler declared. He acknowledged the help given by the elimination of the Green Pound gap since Mr. Peter Walker became Agriculture Minister but said the high UK *inflation* rate still imposed severe restrictions on the competitiveness of British pig farmers.

*He said the agricultural in*dustry was not immune from inflation. "Farm prices, and consequently food prices, must go up, like any other commodity, if inflation is to be met and production continued."

He called for increased EEC farm prices and special measures to aid the UK industry.

"We must gain every possible advantage out of a monetary system which has been used against us so harshly in the past. If positive MCAs are the *answer then I support the* efforts of the Minister to obtain them," he said.

Mr. Butler was speaking at a *luncheon in London given by* Pig Farming magazine.

RHODESIAN TOBACCO

UK buyers can afford to take their time

BY GARETH GRIFFITHS

TEAMS of observers and buyers from all the major British tobacco manufacturing companies have been in Rhodesia since the beginning of the year assessing the market for raw tobacco there and its impact on the British tobacco trade.

Reports from the companies, however, suggest that the public resumption of Rhodesian tobacco sales this week will *make very little difference to* the industry and have only a marginal impact on prices.

It is thought extremely unlikely that the sales to Britain will reach the overall levels attained before the Unilateral Declaration of Independence in 1965, and buyers will be paying strict attention to the quality of the crop produced in Rhodesia at the moment.

Before UDI, Rhodesia exported a third of its total annual 200m pound crop of raw tobacco to Britain and supplied on average 25 per cent of UK supplies.

The tobacco, mainly high quality flue-cured Virginia leaf, was used almost entirely in cigarettes.

Sanctions presented the tobacco manufacturers with severe problems. Companies such as Imperial and Gallaher found their Rhodesian subsidiaries turned into tools of the Rhodesian Government-owned Tobacco Corporation and their links with the parent companies were severed.

More importantly, the companies had to find new sources of supply. The immediate reaction was to turn to the U.S., and later to Canada and India.

India's share of the UK market rose from 11 per cent to 25 per cent, roughly the same proportion as the U.S. and Canada each command.

It took several years for the companies to develop new blends that did not include Rhodesian tobacco. There was also a switch to completely new sources of supply such as South Korea, Taiwan, Pakistan, Malawi and the southern part of Brazil.

Accompanying the switch in supply was a major change in the way that tobacco purchases *were conducted.*

Symbolic

Prior to UDI, companies such as Imperial and Gallaher had substantial direct investment in packaging and processing plant in Rhodesia.

During the late 1960s and 1970s companies switched to dealing almost entirely through local merchant houses.

The sale by Imperial last month of its Salisbury plant, worth an estimated £3m, to a local leaf house was in many ways highly symbolic of the change.

Alterations in UK duty payments on tobacco in 1978 also eliminated the need for local packaging.

British manufacturers' Rhodesian subsidiaries handled roughly half of the Rhodesian 200m pound crop in 1965, including crops for re-export. This year the proportion will be under 10 per cent with local tobacco leaf houses taking the overwhelming share.

Tobacco purchases are generally made on *short-term* contracts, so a switch back to Rhodesian tobacco could occur fairly quickly. However, the *need for long-term blending* will prove a considerable deterrent to manufacturers. Similarly the one-year prefer*ential EEC tariff treatment on* Rhodesian tobacco exports since the lifting of sanctions will have a limited impact.

Rhodesian tobacco had a high reputation for quality, and during sanctions exports have been maintained, albeit at a *much reduced level.*

Tobacco trade analysts believe that tobacco was exported through South Africa and *recipient* countries included the Soviet Union and Eastern Europe.

The Commonwealth Secre*tariat in its Tobacco Quarterly* points out that the area under tobacco in Rhodesia has declined since 1965 fro m90,000 *hectares to 60,000 hectares.*

Production in 1979 was 100,000 tonnes with room for a considerable expansion to pre-UDI levels.

Rhodesian tobacco has been cheaper than imports from the U.S. or Canada. Tobacco from Malawi, which is similar to that produced in Rhodesia, last year sold for 162.9p per kilo of flue cured stripped and 175.6p per kilo of unstripped. This compared to U.S. leaf prices of 211.3p and 220p respectively.

The proportion of tobacco coming on to world markets from Rhodesia, however, will not make any significant differences to prices. In spite of earlier expectations it could lead to some stability.

EEC fails to export sugar

By Our Commodities Editor

THE EEC Commission yesterday failed to authorise any sugar exports at its weekly selling tender.

In th epast three weeks the Commission has only authorised exports of 1,500 tonnes of sugar. Previously sales were running *at a much higher level,* reachinug a peak of 77,000 in early December.

Traders claimed that the Com*mission had* set the maximum export rebates too low at 8.12 European Currency Units per 100 kilos compared with 10.85 *the previous week.*

The rebate at the weekly tenders are altered in accordance with movements in the *world market price, as they are* intended to bridge the gap between the EEC price and the liower world market level.

However, some traders feel that the Commission has been deliberately erring on the side of caution in calculating the rebate recently, *in view of* the criticism over the vast sums expended on subsidising sugar exports by the Community.

At the same time, if a large amount of sugar is left unsold at the end of the season in June, it would reinforce the case for cuts in EEC sugar production, urged by the Commission but so far rejected by the Farm Ministers.

It is estimated that the EEC has something like 1m tonnes of surplus sugar this season still to dispose of. It might be carried over if the present regime is extended for a year.

Bid to form cocoa front

BY DIANA SMITH IN BRASILIA

THE WORLD'S major cocoa producers gathered here this morning for two days of meetings in which they hope to thrash out a workable "gentlemen's" agreement that will prevent future disruptions of the market, establish mutually satisfactory minimum selling prices and regulate stocks.

At the opening session, the Brazilian Agriculture Minister, Sr. Amaury Stable, made a plea for unity among producers.

With a heavily strained trade balance, Brazil, which now claims to be the world's number one cocoa producer with an output of 312,000 tonnes in 1979, stands to lose a great deal if common ground cannot be found among producers.

Exports of cocoa beans and paste yielded $988m last year. In 1980, there are hopes of increasing this revenue substantially, according to Brazilian Agriculture Ministry officials.

The Brazilian team, in this week's talks ,wil ltry to impress on representatives from other nations that a common front against one to one deals with hig pressure consumer countries like the U.S. is of the utmost importance.

Our Commodities Staff writes: The producers meeting had little impact on the London market, where trading activity has been reduced to a very low level.

It is recognised that the producing countries will attempt to act unilaterally, following the collapse of the International *Cocoa Agreement that at least* provided a "floor" to the markets.

But it is felt that they can achieve little in view of the surplus available at present, with production exceeding demand for the third year in succession.

At the same time there are known to be disagreements between the producing countries themselves. Ivory Coast and Brazil have led the way towards more producer control of the market, but other countries, notably Ghana, are believed to be somewhat reluctant to follow a policy that could cost a lot of money they can ill afford.

Imports saver

By Our Commodities Staff

BRITAIN COULD make considerable import savings by developing its surplus and *waste wood processing industries,* according to a report published yesterday.

The report, undertaken for *the Forestry Commission by* the UK subsidiary of Jaakko Poyry International, a Finnish timber processing consultancy, said by 1990 £156m worth of imports could be saved and 4,500 extra jobs created.

The pulp, paper and reconstituted wood panel industries could beexpanded using the surplus production of *small* diameter roundwood which is expected to develop over the next ten years in addition to saw mill waste, the report said.

The consultants said Britain's forests represented a valuable asset in view of the country's heavy timber imports, and should be expanded. "Increasing expansion must be considered a desirable benefit to the country," they said.

Coffee producers plan talks

RIO DE JANEIRO—The Bogota Group of Coffee producers is scheduled to meet in Panama in two weeks' time, Brazilian Coffee Institute representatives said yesterday.

The meeting could be asked to approve the statutes of the International Coffee Company, which would be the arm of the Bogota Fund that has been seeking to control market prices by support buying operations. The company would have its headquarters in Panama and an office in London.

If the statutes are approved, the company would be registered and could begin operations *immediately,* representatives said.

The meeting could start about April 23 or 24, and would last for two or three days. IBC president Octavio Rainho plans to attend the meeting.

The Bogota coffee producers would also review the fund's operation and discuss world coffee market trends, the representatives added.

Brazil is not signing any more coffee supply contracts with roasters for the time being, IBC representatives staid.

If Brazil signs any more contarcts for supplies of coffee this year, these are likely to be on less favourable terms and would be open to dealers.

Signed contracts cover around 12m bags of green coffee for *shipment this year.*

Brazil is still aiming to export more than 7m 60 kilo bags of coffee in the first half this year.

Reuter

Wool sales 'set for recovery'

MELBOURNE — Mr. David Asimus, chairman of the Australian Wool Corporation, said yesterday there were indications of continuing wool market strength despite economic uncertainty and the recent easing of prices.

In a statement, he said the easier prices reflected trade uncertainty as the market began *digesting* the 11-week backlog of wool stemming from the storel mens' dispute.

The corporation's whole clip indicator price, currently 414 cents a kilo clean, is still above the pre-strike level and almost 14 per cent above the season's opening level.

As well as the backlog, Mr. Asimus said a weakening in the international commodities boom, concern over rising interest rates and prospects for world economic growth were slowing the market's recovery.

But in the longer term, he said. There were indications of continuing strength in the market. An underlying demand for wool had been evident in the autumn-winter period in the northern hemisphere.

In addition, wool's position in relation to synthetic fibres had been bolstered by rising fibre prices.

Mr. Asimus said Australian wool supplies in 1980-81 were currently estimated to be 7 per cent below 1979-80 levels. This estimate may be further reduced if the developing drought in many parts of the country becomes more acute.

At the Albury wool sale, prices continued to fall and the Australian Wool Corporation was forced to buy 25 per cent of the 13,099 bales offered.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Marginally easier on the London Metal Exchange. The renewed strength of gold prompted a steady opening for copper, which traded around the £1,005 level before edging up to £1,009. However, persistent profit-taking was noted above the £1,005 level and the market thereafter gave ground, especially on the late kerb when Comex began to falter after a strong opening. Forward metal dipped to £998 by the close and fell further to £990 in the late inter-office trading. Turnover 14,200 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	975-6	+14.5	972-3	—6
3 months	1005-6	+16	1002-.5	—5.5
Settlem't	976	+14	—	......
Cathodes				
Cash	941-4	+8.5	940-5	—6.5
3 months	977-9	+11	970-5	—9
Settlem't	944	+10	—	......
U.S. Prod	—	......	*94-102	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £975, 76, three months £1,008, 07, 08, 09, 08.5, 08, 09, 08, 07, 06, 05, 06. Kerb: Wirebars, three months £1,006, 05, 04. Afternoon: Wirebars, three months £1,007, 06, 07, 08, 04, 02, 01, 03, 04, 05, 03, 02. Kerb: Wirebars, three months £1,002, 01, 1,000, 999, 1,000, 01, 999.5, 1,000, 999, 1,000, 999, 98, 99.

TIN—Easier. Forward metal opened around the £7,820 and edged up to £7,830 before easing back to £7,825 on hedge selling. Renewed selling was reported during the afternoon and three months metal dipped to £7,810. However, covering against American physical demand prompted a late rally to £7,825 on the kerb. Turnover, 890 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7755-75	—20	7740-70	—25
3 months	7830-60	+35	7810-30	—40
Settlem't	7775	—25	—	......
Standard				
Cash	7745-50	+17.5	7720-40	—42.5
3 months	7820-30	+20	7800-10	—44.5
Settlem't	7750	+10	—	......
Straits E.	$2324	+4		......
NewYork	—	......		......

Morning: Standard, cash £7,760, 45, three months £7,850, 40, 30, 35, 30. Karb: Standard, three months £7,825. Afternoon: Standard, three months £7,820, 25, 10, 05, 10, 05. Kerb: Standard, three months £7,815, 20, 30.

LEAD—Fell away in line with copper. After opening at £459 forward metal rose to £467.5 during the morning rings *reflecting the initial rise in copper.* However, a downturn in the latter prompted modest selling which touched off stop-loss selling and depressed the price to £454.5 on the late kerb. Turnover 10,825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	490-1	+24	477-8	—9.5
3 months	467-8	+14.5	457-8	—8
S'ment	491	+24	—	......
U.S. Spot	—	......	*50	......

Morning: Cash £490, 89, 90, three months £466, 66, 64, 66, 67. Kerb: Cash £491, three months £468, 67, 66. Afternoon: Cash *£477,* three months £466, 64, 61, 60, 58, 57. Karb: Three months £458, 57, 56, 55.

ZINC—Moved narrowly in quiet and subdued trading with forward metal finally quoted at £338 on the afternoon kerb. Turnover, 4,750 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	340-1	+9	341-3	—.5
3 months	336-7	+5.25	335.5-6.5	—3.5
S'ment	341	+9	—	......
Primw'ts	—	......	*39.5	......

Morning: Cash £340, three months £336, 37, 36.5. Kerb: Three months £336. Afternoon: Cash £342, 43, 39, early July £336.5, three months £337, 36. Kerb: Three months £335, 36, 377.

ALUMINIUM—Lower reflecting the absence of any fresh buying interest *and the firmness of sterling.* Foward metal opened around £858 but gradually fell away to close the late kerb at £849. Turnover, 3,675 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	856-8	+3	853-6	—9.5
3 months	853-4	—1	849.50	—12

Morning: Three months £855, 54. Kerb: Three months £853, 52, 53. Afternoon: Cash £855, three months £854, 53, 52, 51, 50, 48, 49. Kerb: Three months £850, 49, 48.

NICKEL—Down in quiet trading following the strength of sterling against the dollar. Foward metal opened around £3,100 and drifted back to £3,060 before recovering modestly to close the late kerb at £3,085. Turnover, 606 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2950-5	—32.5	2970-5	—15
3 months	3060-5	—32.5	3085-90	—17.5

Morning: Cash £2,970, three months £3,090, 80, 75. Afternoon: Cash £2,980, three months £3,070, 75, 80, 85. Kerb: Three months £3,080.

SILVER

LME—Turnover 171 (180) lots of 10,000 ozs. Morning: cash 815, 10, 797, three months 835, 38, 39, 35, 30, 20, 21. Afternoon: cash 800, 798, 80, three months 825, 20, 18, 15, 05, 800. Kerbs: *three months* 790, 95, 800, 05, 800, 795, 93, 95.

Silver was fixed 30.5p an ounce higher for spot delivery in the London bullion market yesterday at £8.055. *U.S. equivalents of the fixing levels* were: Spot $17.6, up 98c; three-month $18.085c, up $1.041; six-month $18.88c, up $1.1; and 12-month $19.845, up $1.131. The metal opened at £7.85-8.30 ($17¼-18¼) and closed at £7.7-8.15

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	805.5p	+30.5	780p	—5
3 months	826.0p	+33.5	799p	—2
6 months	861.0p	+38	—	......
12months	907.0p	+37	—	......

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). New Zealand cents per kilo. May 372, 380; Aug. 386, 393; Oct. 386, 393; Dec. 386, 393; Jan. 386, 393; March 395, 403; May 400, 410; Aug. 400, 420; Oct. 400, 420.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). *Australian cents per pound.* May 441.0, 442.0, 444.0-441.0, 37 July 456.0, 457.0, 459.0-455.0, 207: Oct. 460.0, 462.0, 462.0-458.0, 60; Dec. 464.0, 466.0, 468.0-463.5, 116; March 468.0, 469.5, 469.0-468.0, 23; May 471.0, 475.0, 475.0-472.0, 20; July 475.0, 476.0, 476.0-476.0, 1; Oct. 480.0, 482.0, —, —. Sales: 464.

COCOA

Cocoa futures eased in very dull conditions to close at the lows of the day with losses of £10 across the board. Brazil sold a nominal quantity of beans at 127 cents per pound, but other producers remained withdrawn from *the market, reports Gill and Duffus.*

COCOA	Yest'rdays Close	+ or —	Business Done
May	1394-95	—11	1410-1391
July	1400-01	+14	1417-1399
Sep	1420-21	—9.0	1436-20
Dec	1456-58	+9.5	1470-68
March	1478-79	+7.5	1492-90
May	1495-1500	—18.5	—
July	1,512-25	—16.5	—

Sales: 2,133 (893) lots of 10 tonnes.

COFFEE

Robustas opened slightly easier to reflect renewed strength in sterling and a technical adjustment to an overbought previous close, reports Drexel Burnham Lambert. During the morning prices held in a narrow trading range in fairly light volume. After initial weakness in the afternoon prices *rallied towards the close but gains were cut into as trade selling and late* profit taking became prominent.

COFFEE	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
May	1655-60	—1.5	1665-40
July	1684-85	—8.0	1690-75
Sept	1710-12	—11.5	1718-07
Nov	1720-21	—10.0	1734-19
January	1710-15	—7.5	1730-15
March	1675-90	—11.5	1684
May	1680.00	—4.0	1700-79

Sales: 3,455 (6,399) lots of 5 tonnes.

ICS Indicator prices for April 8 (cents per pound): Other Mild Arabicas 182.50 (179.67); Robustas ICA 1976 160.00 (same). ICA 1968 160.25 (same). Unwashed Arabicas 204.00 (same). Comp. daily ICA 1968 184.00 (183.28).

GRAINS

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, *April 95.25, May 94.75, June 96.00,* July 96.50 transhipment East Coast. English Feed fob April unquoted, May 96.50 seller East Coast, May 97.50 paid East Coast. Maize: U.S./French, April *116.50, May 117 transhipment East* Coast. S. African Yellow April-May 78.50 seller. Barley: English Feed fob May 97.75, June 98.50 East Coast sellers, April 96.75 paid East Coast. Rest unquoted.

LONDON GRAIN FUTURES—Grains opened 10p lower on old crops, initial selling pressure eased values in fairly thin volume to trade 25p lower. Buying support steadied the market and values closed firm. New crops opened 5p lower and registered losses of 25-30p but rallied on good buying interest, reports Acli.

WHEAT Mnth	Yesterday close	+ or —	BARLEY Thursday close	+ or —
May	93.80	+0.30	91.90	+0.40
Sept	92.40	+0.15	90.35	......
Nov	96.35	+0.15	94.55	+0.15
Jan	100.25	+0.15	98.40	+0.10
Mar	*103.50*	*+0.10*	*101.65*	—0.05

Business done—Wheat: May 93.80-93.25, Sept. 92.15-92.10, Nov. 96.05-95.90, Jan. 99.95-99.80, March *103.50-103.10. Sales: 211 lots of 100* tonnes. Barley: May 91.90-91.25, Sept. 90.40-90.00, Nov. 94.55-94.10, Jan. 98.20-97.95, March 101.65-101.30. Sales: 249 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 95.00, E. Midlands 95.00. Feed barley: Eastern 93.00, E. Midlands 92.90, N. East 94.00.

RUBBER

The London physical market opened steadier, with little interest at higher levels, closing on an easier note. Lewis and Peat reported a Malaysian godown price of 333 (221) cents a kg (buyer, April).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
May	67.00-67.20	67.30-67.50	68.50-67.20
June	68.20-68.90	69.00-69.10	—
Jly.-Sept	70.70-70.90	71.30-71.40	72.40-70.80
Oct-Dec	74.80-74.90	75.30-75.40	76.40-74.70
Jan-Mar	77.70-77.98	78.10-78.20	79.50-77.90
Apr-Jne	80.40-80.80	80.90-81.20	82.10
Jly.-Sept	83.10-83.70	83.60-84.20	—
Oct-Dec	85.70-86.40	86.00-86.40	—
Jan-Mar	88.20-89.40	89.40-89.30	—

Sales: 421 (531) at 15 tonnes, 7 (20) at 5 tonnes.

Physical closing prices (buyer) were: Spot 65.5p (66.25p): May 70.25p (70.00p); June 71.25p (71.00p).

SOYABEAN MEAL

The London market opened with losses of 50p-£1.00 on stronger Sterling, reports T. G. Roddicks. Prices soon found buying interest as cash demand on the continent picked up and the market rallied to show gains up to 70p.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
April	110.50-11.5	+0.50	—
June	108.50-08.6	....	108.50-108.20
August	109.50-09.6	—0.10	109.50-108.50
October	107.60-07.7	+0.70	107.70-107.40
December	110.00-10.5	+0.10	—
February	113.00-13.1	+0.05	113.00
April	113.00-16.0	+0.25	—

Sales: 59 (53) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £224.00 (£232.00) a tonne cif for March-April-May shipment. White sugar daily price was £233.00 (£236.00).

Sugar Pref. Comm. Con.	*Yest'rdays Close*	*Previous Close*	*Business Done*
	£ per tonne		
May	236.50-38.60	241.00-41.10	244.00-33.00
Aug	245.75-45.90	251.00-51.25	254.50-42.50
Oct	250.50-50.75	256.50-56.00	257.00-47.00

Sales: 5,835 (4,961) lots of 50 tonnes.

NUMBER 4 CONTRACT—Close (in order buyer, seller only3. May 237.50, 238.50; Aug. 247.25, 247.75; Oct. 252.00, 252.50; Jan. 255.00, 257.50; March 262.00, 265.00; May 262.00, 265.00; Aug. 262.00, 272.00. Sales 416 (517).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £306.00 (£312.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 8. Daily price 20.10 (19.87), 15-day average 17.76 (18.60).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 301 tonnes, bringing the total for the week so far to 686 tonnes. Minor quantities were under review with only scattered trading. Most users were still operating with considerable caution in view of the high cost of the raw material. Attention was mainly centred on Middle Eastern supplies.

MEAT/VEGETABLES

MEAT COMMISSION—Average fat*stock prices at representative markets* on April 9. GB cattle 87.15p per kg lw (+4.7): UK sheep 163.5p per kg est dcw (+4.7); GB pigs 68.5p per kg lw (+2.0).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 66.0 to 71.0; Eire hindquarters 82.0 to 85.0, forequarters 48.0 to 52.0. Veal: English fats 78.0 to 86.0; Dutch hinds and ends 100.0 to 112.0. Lamb: English small (new season) 82.0 to 94.0, medium 80.0 to 94.0. Imported frozen: NZ PL 57.0 to 57.0, PM 56.0 to 56.0. Hoggets: English 50.0 to 76.0. Pork: English, under 100 lb 40.0 to 49.5, 100-120 lb 39.0 to 47.0, 120-160 lb 38.0 to 46.0.

PRICE CHANGES

In tonnes unless otherwise stated.

	April 9 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1870/1900	+20	$1800/50
Copper			
Cash w'bar	£972.5	—6	£1,039
3 mths	£1002.25	—5.5	£1,050.5
Cash Cathode	£942.5	—6.5	£1,004
3 mths	£972.5	—9	£1,024.5
Gold troy oz	$547.5	+8	$568.5
Lead cash	£477.5	—9.5	£484
3 mths	£457.5	—8	£463.5
Nickel	£3,477	+142.0	£3,335
Freemkt(cif (lb	288/315c	....	305/325c
Platin'mtr'y oz	£189-193	....	£189
Free mkt	£294.6	+2.4	£383.85
Quicksil'vert	$405/415	+5	$395-405
Silver troy oz	805.5p	+30.5	1256p
3 months	826.0p	+33.5	1307.5p
Tin Cash	£7,730	—42.5	£7,895
3 mths	£7,805	—44.5	£7,895
Tungsten22.04lb	$141.14	....	$138.76
Wolfrm 22.04 lbs	$144/148	—1.0	$144/148
Zinc cash	£342	—0.5	£337.5
3 months	£336	—3.5	£345.75
Producers	$825	....	$825
Oils			
Coconut (Phil)	$692.5t	....	$770
Groundnut	‡	....	‡
Linseed Crude	£456	....	£436
Palm Malayan	$605x	+5	$627.50
Seeds			
Copra Philip	$465	+5	$520
Soyabean(U.S.)	$264.25x	—0.35	$279
Grains			
Barley Futures	£90.35	—0.25	£95.70
Maize			
French No3AM	£116.50	+0.5	£116
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	‡	....	‡
Eng. Millingt.	‡	....	‡
Other commodities			
Cocoa ship.t	£1,425	—11	£1,429
Future July	£1,400.5	—14	£1,408
CoffeeF't'rJuly	£1,684.5	—8	£1644
Cotton A.Index	90.30c	—1.15	93.20c
Rubber (kilo)	65.5p	—0.75	68p
Sugar (Raw)	£224	—8	£205
Wooltp's 64s kl	*300p kilo*	....	305pkilo

u June. s May. t May-June. r April-May. x July. z Indicator. § Buyer. ‡ Per 76 lb flask.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—*Spania: Navels 4.30-4.50; Jaffa:* Shamouti 50/189's 4.30-5.45; Egyptian: Valencia Lates 75/125's 3.50-3.80; Moroccan: 64/113's 4.00-4.40; Cyprus: Valencia Lates 3.50-4.20, Ovals 4.30-4.50. Ortaniques—Jamaican: 54/126's 7.00-8.00. Karas—Spania: 4.50-5.00. Lemons—Italian: 100/150's 4.25-4.50; Cyprus: 15 kg 84/120's 3.40-4.30; Spania: Trays 25/45's 1.70-2.20; Californian: 99/165's 4.80-6.00; Outspan: 80/120's 5.00-6.00. Grapefruit—Cyprus: 20 kg 3.30-4.40; Jaffa: Large boxes 32/88's 4.00-4.80; Florida: Pink flesh *36/48's 5.60-5.80; Texas: 5.20-5.40.* Apples—French: Golden Delicious, boxes 40 lb 138/175's 5.00-5.60, 20 lb 2.20-2.80, Starkcrimson 20 lb 72's 3.40, 84's 3.00; Italian: Granny Smith 20 lb per pound 0.10, Golden Delicious 0.11, Jonathan 0.09, Starking 0.11, Romes 0.11; Chilean: Granny Smith, large boxes 125/150's, 8.25-8.50; S. African: Golden Delicious 7.25-7.50, Starking 7.25; U.S.: Red Delicious 8.50-9.50. Pears—S. African: Approx. 34 lb Williams Bon Chretien 8.00, Beurre Hardy 7.30, Beurre Bosc 6.50, *Packham's 7.50-8.20;* Dutch: Conference per pound 0.15-0.16. Grapes—South African: New Cross 7.30, Barlinka 4.50; Chilean: Thompson Seedless 5 kg 5.80. Strawberries—Per punnet, Californian: *0.30; Israeli: 0.50; Spanish: 0.40-0.45.* Plums—S. African: Per pound Sungold 0.40-0.45. Avocados—Israeli: 4.50-5.00; S. African: 5.00. Melons—Chilean: White 8.00; Colombian: Green 5/8's 5.50-6.00. Pineapples—Ivory Coast: Each 12's 0.50-0.80, 6's 1.10-1.20; S. African: 6/9's 3.20-3.60. Bananas—Jamaican: 26 lb 0.16 per pound. Tomatoes—Canary: 2.00-4.00. Onions—Canadian: 50 lb 4.50; S. African: 5.00; Chilean: 5.00-5.50; Tasmanian: 20 kg 5.00. Lettuce—Dutch: 24's 1.60-1.80. Cucumbers—Canary: 14/18's 2.00-2.20; Dutch: 2.60-2.80. Celery—Israeli: 20/28's 3.00-3.60; Spanish: 18/36's 3.00-3.50. Chicory—*Belgian:* 5 lb 2.00. Potatoes—Egyptian: King Edward 4.60; Canary: 5.70; Cyprus: New crop 28 lb 4.50, 56 lb 6.00.

English Produce: Potatoes—Per bag 2.40-2.80. Mushrooms—Per pound 0.55-0.60.

AMERICAN MARKETS

NEW YORK, April 8.

PRECIOUS METALS closed mostly limit up on dealer buying and short-covering. Copper finished higher on moderate trade interest. Coffee advanced on the announcement of higher Colombian resale prices. Cocoa *rallied on news that Brazil suspended* export sales. Sugar and cotton broke in a major downward move on steady liquidation and lack of trade buying interest. The livestock complex sold *off sharply on heavy trade selling and* lagging demand. Grains and soya beans moved higher under the leadership of wheat following heavy government purchases, Heinold reported.

Cocoa—May 135.20 (133.60), July 133.70 (132.40), Sept. 135.20, Dec. 300.4, March 303.0. Sales: 899.

Coffee—"C" Contract: May 186.34 (188.23), July 191.45 (191.08), Sept.

Closing prices for North America were not available for this edition.

197.46, Dec. 190.95, March 184.87, May 184.75, July 186.48, Sept. 188.00.

Copper—April 91.85 (89.90), May *93.10 (91.20), June 94.40, July 95.90,* Sept. 98.30, Dec. 100.80, Jan. 101.50, March 102.90, May 104.20, July 105.50, Sept. 106.80, Dec. 108.60, Jan. 109.20.

Cotton—No. 2: May 80.65 (82.65), *July 80.27 (82.21),* Oct. 76.75, Dec. 73.50, March 74.25, May 75.25, July 75.80. Sales: 8,550.

*Gold—April 538.5 (521.5), May 543.6 (518.6), June 551.5, Aug. 567.5, Oct. 583.5, Dec. 599.5, Feb. 615.5, April 531.5, June 647.5, Aug. 663.5, Oct. 679.5, Dec. 695.5, Feb. 711.5.

Orange Juice—May 90.25 (89.55), July 91.20 (90.05), Sept. 92.70, Nov. 93.10, Jan. 92.60, March 93.35, May 93.95, July 94.55, Sept. 94.65.

Potatoes (round whites)—May 47.4 (4.75), Nov. 72.3 (72.2).

*Platinum—April 605.0 (563.0), May nil (668.5), June nil, July 6182, Oct. 6432, Jan. 6710, April 6980.

§Silver—April 1647.0 (1530.0), May 1635.0 (1535.0), June 1660.0, July 1682.0, Sept. 1747.0, Dec. 1827.0, Jan. 1854.0, March 1903.0, May 1952.0, July 2001.0, Sept. 2050.0, Dec. 2075.0, Jan. 2099.0. Handy and Harman bullion spot 1640.00 (1495.00).

Sugar—No. 11: May 20.38 (21.52), July 21.45 (22.44), Sept. 21.83, Oct. 22.00, Jan. 23.37, March 23.42, May *23.50, July 23.75. Sales: 11,178.*

Tin—799.00-807.00 (785.00-790.00).

CHICAGO, April 8.

Lard—Chicago loose 19.00 (19.00).

Live Cattle—April 62.75 (62.05), June 62.10 (63.60), Sug. 61.60, Oct. 60.67, Dec. 62.20, Jan. 62.50, Feb. 62.90.

Live Hogs—April 29.15 (30.30), June 33.57 (35.05), July 34.62, Aug. 34.50, Oct. 35.55, Dec. 38.85, Feb. 42.10, April 40.75, June 44.50.

‡‡Maize—May 271¾-273 (268), July 284-284½ (279¾), Sept. 294, Dec. 298¾-298½, March 310¾-311, May 319¾-320.

Pork Bellies—May 34.50 (36.50), July 35.65 (37.65), Aug. 34.57, Feb. 48.57, March 48.60, May 49.60, July ——, Aug ——.

†Soyabeans—May 590-589 (585½), July 615½-615 (611), Aug. 628, Sept. *634½-635, Nov. 650-650½, Jan. 667-668,* March 688, May 704.

‖Soyabean Meal—May 164.3-163.2 (163.4), July 171.6-171.7 (170.6), Aug. 174.8, Sept. 177.0-177.5, Oct. 180.5, *Dec. 184.5-184.6, Jan. 187.0-187.5,* March 192.2, May 196.5-196.5, July 198.0-199.0.

Soyabean Oil — May 20.40-20.45 (20.28), July 21.10-21.13 (20.09), Aug. 21.45, Sept. 21.70, Oct. 22.00, Dec. 22.45-22.50, Jan. 22.60-22.65, March 23.00, May 23.40-23.45, July 23.70-23.80, March ——.

†Wheat—May 409¾, July 416, Sept. 429¾, Dec. 448, March 462, May 468.

WINNIPEG, April 8. §Barley—May 115.70 (113.60), July 117.60 (116.00), Oct. 113.60, Dec. 113.30, March 112.80.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 216.88 (216.23).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents *per 60-lb bushel.* ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, April 9.

Wheat—U.S. No. 2 Red Winter May $187, June-July-Aug. $180. U.S. No. 2 Northern Spring, 14 per cent, April $188, April-mid-May $188, May $189, June $191, July $192, Aug. $194. Rest unquoted.

Maize—U.S. No. 3 Corn Yellow spot $137.50, April $135.60 traded, $136 sellers, May-June $137.50 traded, July-Sept. $142.75, Oct.-Dec. $147, Jan.-March $154 sellers.

Soyabeans—U.S. Two Yellow Gulfports afloat $252, mid-April-May $251, *May* $249.75-$250.75, July $260, Aug. $263.50, Sept. $267.50, Oct. $268.75, Nov. $269.25, *Oct.-Nov. $269.50 traded,* April $251.25, May $251.25, June $256.25, July $260.25, Aug. $264.25, Sept. $268.25, Oct. $268.75, Nov. $269.25, Dec. $278, Jan. $279.50, Feb. $287.25, *March $289.25 sellers.*

PARIS, April 9.

Cocoa (FFr per 100 kilos)—May 1325-1330, July 1330-1355, Sept. 1350-1360, Dec. 1360-1370, March 1370, May 1375-1400. *Sales at call 2.*

Sugar (FFr per 100 kilos)—May 2240-2245, July 2260-2299, Aug. 2340-2345, Oct 2425-2445, Nov. 2420, Dec. 2480-2545, March 2530, May 2580. Sales at call 9.

INDICES

FINANCIAL TIMES

Apr. 8	Apr. 3	M'nth ago	Year ago
290.70	285.90	294.25	272.68

(Base: July 1, 1952=100)

MOODY'S

Apr. 8	Apr. 7	M'nth ago	Year ago
1135.6	1131.9	1310.4	1049.2

(December 31, 1931=100)

DOW JONES

Dow Jones	April 8	April 7	Month ago	Year ago
Spot	408.44	410.80	421.75	379.0
F'tur's	426.33	429.09	440.04	382.5

(Average 1924-25-26=100)

REUTERS

Apr. 9	Apr. 8	M'nth ago	Year ago
1724.4	1724.4	1756.8	1544.3

(Base: September 18, 1931=100)

GRIMSBY FISH—Supply good, demand good. Prices at ships side (unprocessed) per stone: Shelf cod £4.40-£5.20, codlings £3.90-£4.30. Large haddock £4.20-£5.00, medium £4.00-£4.80, small £2.80-£3.50. Large plaice £4.20, medium £3.00-£4.20, best small £4.00-£4.50. Skinned dogfish (large) £14.00, (medium) £11.00. Lemon soles (large) £9.50, (medium) £8.50. Saithe £2.80-£3.20.

Gilt-edged dominate and a… …activate short tap twice—Longs close wit… …xtending to £1

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Mar. 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 9 am two business days earlier.

Gilt-edged seurities emerged as the dominant sector in stock markets yesterday. Shortly after the opening, the Government broker who has recently been refusing low bids for the short tap issue rather surprisingly activated the stock, Exchequer 13½ per cent 1983, mainly in order to alleviate a market position which had been building up for some time. Stock was supplied at 95¼ and again at 95$\frac{5}{16}$ compared with the equivalent last operative level of 96⅞; the authorities supplied a limited amount at 60⅛ when the stock made its debut at 96¾, £60-paid, on January 24.

Interest in the tap became a little more guarded at yesterday's higher level, but demand for British Funds was widespread. Buyers appeared to be adopting a herd instinct for no other reason than that the market was generally regarded as poised for improvement. Sterling's strength against the dollar was put forward as an influence and its downturn against many European currencies seemed to be ignored. Confidence was also generated by hopes of a better showing in last month's banking statistics when they are released this afternoon.

Being untapped at the moment, the longer end of the market surged higher with both low- and high-coupon stocks participating; the latter gained as much as a point in places and maintained their upward momentum in trade after the official close. Both interest and firmness in the short tap faltered as the session progressed, but other shorts continued to move forward and ended the day with rises stretching to ½.

Leading equities basked in the limelight of Government securities and gradually improved despite a level of business which was described as pathetic. A recovery in Oils after Tuesday's setback on the North Sea Thistle Field oil leak and Iranian supply fears also imparted a better feeling which left leading industrials with gains extending to four pence. The FT 30-share index regained most of Tuesday's fall of 5.9 to close 4.6 up at the day's best of 431.3.

Pearl pleases

Demand for Traded options improved considerably and a total of 790 contracts were completed against the previous day's 275. Imperial were active with 255 deals, while other stocks in demand included Shell, 97, Racal, 116, and Cons. Gold Fields, 83.

Pearl stood out in Insurances with a rise of 14 to 304p in response to the better-than-expected preliminary results. Other Life issues improved in sympathy with Prudential, 173p, and Hambro, 162p, up 3 and 2 respectively. In Composites, however, GRE fell 8 to 222p, after 220p, following annual profits which fell well short of expectations.

Firmer conditions returned to the major clearing banks as recent selling dried up. Barclays rose 6 to 398p with sentiment helped by the good results reported by its subsidiary Mercantile Credit. NatWest added 5 to 310p and Lloyds, 294p, and Midland, 312p, improved 4 apiece. Still reflecting the announcement that its Minster Insurance subsidiary is to cease writing new business from May 1, Minster Assets cheapened 2 for a two-day decline of 5½ to 43p. London Scottish Finance came on offer in Hire Purchases and closed 3½ off at 33½p, but UDT revived with a fresh speculative improvement of 2 at 57p. Lloyds and Scottish added 3 to 130p.

Leading Breweries encountered a more active business than of late and closed with modest rises. Whitbread closed 2 dearer at 139p, while Allied gained the turn at 72p. Elsewhere, Distillers added a couple of pence to 198p.

Selected Timber issues attracted fresh speculative support. Mallinson-Denny put on 3½ to a 1980 peak of 67p as bid hopes revived, while Montague L. Meyer and Magnet and Southerns added 2 apiece to 104p and 168p respectively. Elsewhere in the Building sector, Brown and Jackson, a volatile market of late awaiting today's results, were marked 3 higher to 178p on acquisition news. Trading statements benefited Ruberoid and Erith, the former adding 4 to 54p and the latter firming 7 for a two-day gain of 13 to 127p in a restricted market. Aberthaw Cement, neglected recently, revived with a gain of 5 to 137p.

Business in leading Chemicals was small, but ICI improved 4 to 370p and Fisons 2 to 267p. Croda held at 43p despite the lower pre-tax profits, but Arrow met small selling and shed 4 to 96p.

Burton good again

Store majors continued to make modest headway in response to sporadic buying. Burton attracted useful speculative support in front of today's interim statement and closed 3 better at 128p; the Warrants improved 5 to 49p. GUS "A" hardened 2 to 380p, while W. H. [illegible] …increased dividend and profits with a rise of 5 to 185p, while Babcock International, a dull market of late on the preliminary figures, rallied 2 to 93p. On the other hand, Aurora met sporadic offerings and gave up 4 to 49p, while Haden Carrier closed a similar amount cheaper at 105p. Yarrow, down 10 more at 260p, remained unsettled by the recent interim profits setback and lower preliminary figures left Blackwood Hodge 2 off at 38p.

Leading Foods usually made modest progress, but Northern encountered small selling and cheapened 4 to 120p. In secondary issues, Danish Bacon were marked up to a 1980 peak of 126p in response to the higher annual profits but reverted to the overnight 122p as support failed to materialise.

In Hotels and Caterers, Grand Metropolitan firmed 3 to 125p, but Ladbroke, annual results today, encountered nervous selling and shed 2 to 130p.

Bowater good

Firmer miscellaneous industrial leaders were featured by a rise of 8 to 174p in Bowater on buying in anticipation of today's preliminary results. Glaxo, annual figures next Monday, improved 3 to 247p, while Beecham gained a similar amount to 115p. Unilever, however, remained friendless at 395p, down 3. Elsewhere, Fothergill and Harvey moved up to 102p in response to the results, while improvements of 8 and 4 respectively were recorded in AAH, 140p, and Asthury and Madeley, 112p. Up 10 last week following the partial bid of 12p per share from Hong Kong-based Tinnox, Barget encountered profit-taking and cheapened 2 to 18p. Diploma Investments eased 6 to 418p and Carlton Industries 5 to 285p. Despite the 61 per cent contraction in preliminary earnings, Edward Le Bas held steady at the overnight level of 48p.

Nervous selling ahead of next Thursday's annual results left its mark on Coral Leisure which shed 4 to 73p.

Newspapers closed firmer where altered. News International, annual results next Tuesday, added 3 at 148p, while Associated picked up 5 to 268p. Elsewhere, Ferry Pickering advanced 7 to 84p following the interim results.

Business in Properties improved slightly and most movements favoured holders. Land Securities improved 3 to 290p and MEPC 2 to 191p, while Haslemere Estates and Stock Conversion added 4 apiece to 294p and 358p respectively. London and Provincial Shop Centres put on 8 to 310p on the £2.9m office building deal with Calor Gas, while Clarke Nickolls added 2 to a 1980 peak of 118p.

Oils better

Oils took a turn for the better yesterday as recent fears about Iranian oil supplies and the closure of the Thistle field in the North Sea faded. Shell rallied 12 to 344p and British Petroleum closed a similar amount better at 376p. Among the Thistle participants, Tricentrol, 286p, and Ultramar, 536p, also picked up 12 apiece, while Burmah rallied 9 to 214p. Elsewhere, Lasmo were good at 460p up 20p. Following further comment on the Marathon oil strike, Siebens eased to 590p initially but recovered to close 20 up on the day at 630p.

Among Overseas Traders, Gill and Duffus rose 5 to 132p following better-than-expected annual profits, while S. & W. Berisford added a similar amount to 145p in sympathy. S. Hoffnung closed a couple of pence to the good at 82p on hopes of an increased offer from Burns Philp.

Trusts were inclined easier, but comment on the bid situation with Guthrie left City and International 8 up at 119p. Triplevest also moved against the trend, the Ordinary rising 2 to 68½p and the Capital 6 to 160p. Among Financials, Akroyd and Smithers were dull at 240p, down 10.

Shipping were featured by a rise of 1¾ to £10¼ in Graig on speculative demand in a thin market.

Golds up again

South African Gold shares made good progress for the fifth successive trading day as continuing concern over the situation in the Middle East caused a further weakening in the dollar and lifted the bullion price $8 more to $547.50 an ounce.

The sharemarket opened on a firm note and improved throughout the day as initial Continental and Johannesburg buying was followed by renewed American support during the afternoon. The Gold Mines index advanced 9.2 more to 322.1, up 48.7, or 17.8 per cent, over the past five trading days.

Heavyweights were featured by West Driefontein which rose £1½ for a two-day rise of £4½ to £32½ following the near 44 per cent advance in net profits in the past quarter.

Other heavyweghts to show gains of a point and more included Randfontein, £30½, Free State Geduld, £24¼, Western Holdings, £29⅞, and Libanon, £10½; the last-named reported a 63 per cent jump in net profits for the past quarter.

Financials were quietly firm. In South Africans, Anglo American attracted good support and improved a further 20 to 560p while GFSA added ½ at £33.

London-registered Financials held steady in idle trading with the notable exception of Gold Fields, which put on 6 to 482p reflecting the strength of gold shares. Selection Trust closed unaltered at 630p ahead of the 1979 results which are expected today.

The continuing firmness of free market platinum prices encouraged further buying of Platinums, where Lydenburg put on 5 to 135p and Rustenburg 4 to 220p.

Australians were generally a shade easier on balance. Prices were marked up at the opening—reflecting the trend in overnight Sydney and Melbourne markets—but failed to attract any fresh buying. Consequently, the market drifted before a minor rally developed in the after-hours' trade.

Diamond exploration issues showed Ashton Minings off at 132p; dealers said the March quarter progress report from the Ashton venture was imminent.

Elsewhere, Burma Mines rose 1¼ to a 1980 high of 15p following the return to the dividend list.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	325	51	6	—	—	—	—	372p
BP	350	28	6	—	—	—	—	"
BP	375	10	15	—	—	—	—	"
BP	390	—	—	26	15	38	—	"
BP	400	3	18	—	—	—	—	"
BP	420	—	—	16	—	27	6	"
Com. Union	140	2	—	6	25	11	—	128p
Cons. Gold	420	68	10	90	—	—	—	481p
Cons. Gold	460	27	15	60	—	86	—	"
Cons. Gold	500	7	7	38	31	62	—	"
Cons. Gold	550	1½	15	17	5	38	—	"
Courtaulds	60	7½	—	10	3	11½	—	65p
Courtaulds	80	½	—	3	3	4	—	"
GEC	360	14	4	36	—	51	—	367p
GEC	390	2½	—	22	6	36	—	"
Grand Met.	130	2	2	7½	—	11½	35	125p
Grand Met.	140	¾	—	3	3	6	—	"
ICI	360	16	8	38	—	47	—	368p
ICI	390	1½	—	18	8	29	—	"
Land Secs.	280	14	—	27	—	40	1	290p
Marks & Sp.	90	2½	4	7½	35	11½	—	88p
Marks & Sp.	100	1½	—	4	5	7½	—	"
Shell	330	18	17	44	—	54	—	342p
Shell	360	4	77	26	—	34	3	"
Totals			204		139		45	
		May		August		November		
Imperial Gp.	70	9½	25	14	—	15	—	78p
Imperial Gp.	80	2½	—	6	220	7½	—	"
Imperial Gp.	90	1	—	2	10	3½	—	"
Racal Elec.	180	48	8	55	—	—	—	225p
Racal Elec.	200	29	13	38	—	48	—	"
Racal Elec.	220	15	85	26	—	37	4	"
Racal Elec.	240	5	1	14	10	—	—	"
RTZ	330	52	1	80	—	92	—	372p
RTZ	390	14	3	40	23	58	—	"
RTZ	500	1	—	10	4	—	—	"
Totals			131		276		4	

FINANCIAL TIMES STOCK INDICES

	Apr. 9	Apr. 8	Apr. 3	Apr. 2	Apr. 1	Mar. 31	A year ago
Government Secs.	65.48	64.97	64.74	64.98	64.82	64.58	75.88
Fixed Interest	65.76	65.43	65.29	65.37	65.30	65.02	77.11
Industrial	431.3	426.7	432.6	432.1	432.4	427.0	558.7
Gold Mines	322.1	312.9	287.4	284.7	279.4	273.4	144.2
Ord. Div. Yield	6.06	6.16	6.02	6.02	7.97	8.07	5.55
Earnings, Yld. % (full)	19.71	19.94	19.66	19.65	19.66	20.01	14.22
P/E Ratio (net) (*)	6.23	6.16	6.24	6.24	6.24	6.12	8.55
Total bargains	16,609	17,223	24,566	33,566	33,990	25,475	—
Equity turnover £m	—	72.76	93.96	109.75	137.65	98.11	97.67
Equity bargains total	—	12,841	26,513	24,616	26,859	20,428	13,456

10 am 427.9. 11 am 428.5. Noon 429.8. 1 pm 429.9. 2 pm 429.9. 3 pm 430.0.

Latest Index 01-246 8026.

*Nil =5.95.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (18/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (5/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 9	Apr. 8
—Daily		
Gilt Edged	109.4	125.5
Industrials	97.3	119.0
Speculative	38.4	28.9
Totals	72.2	81.6
5-day Av'ge.		
Gilt Edged	127.4	128.7
Industrials	140.5	142.4
Speculative	39.4	39.6
Totals	94.7	94.7

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (36)

BRITISH FUNDS (12)
Treas. 9½pc 1980 — Treas. 14pc 1982
Treas. 3½pc '77-80 — Exchqr. 12¼pc 1985
Fund'g 5½pc '78-80 — Treas. 8½pc '84-86
Treas. 9¼pc 2981 — Exchqr. 13¼pc 1987
Exchqr. 8½pc 1981 — Treas. 14pc 1996 (£50 paid)
Exchqr. 3pc 1981
Treas. 3pc 1982

CANADIANS (1)
Seagram

BANKS (1)
Brown Shipley

BUILDINGS (3)
Carron — Mallinson-Denny
Erith

STORES (2)
Burton Group — Cornell Dresses

ENGINEERING (2)
Ash & Lacy — Garton Engineering

FOODS (1)
Danish Bacon A

INDUSTRIALS (2)
Astbury & Madeley — Bestobell

INSURANCE (3)
Eagle Star — Pearl
Hambro Life

PAPERS (1)
Ferry Pickering

PROPERTY (2)
Clarke Nickolls — Fairview Estates

TEXTILES (1)
Mountleigh

TRUSTS (2)
Jove Inv. Inc. — Tor Inv. Cap.

OIL & GAS (1)
Ultramar 7pc Cnv.

MINES (2)
Minefields Ex. — Burma Mines

NEW LOWS (73)

FOREIGN BONDS (2)
Chinese 4½pc 1898 — Chinese 5pc 1912

AMERICANS (2)
Ford Motor — Sperry Corp.

CANADIANS (1)
Massey Ferguson

BANKS (3)
Midland 7½pc 1983-93 — Minster Assets
Lond. Scot Finance

BUILDINGS (3)
Countryside — Rowlinson
Douglas (Robt. M.)

STORES (4)
Bambers — Lincroft Kilgour
Empire Stores — Sumrie

ELECTRICALS (4)
Dale Elec. — Laurence Scott
Kode Int. — Mainline Elec.

ENGINEERING (10)
Aurora — Duport
Bailey (C. H.) — Mollns
Baker Perkins — 600 Group
Carclo Eng. — Tex Abrasives
Cummins '78-94 — Yarrow

FOODS (3)
Carr's Milling — Fitch Lovell
England (J. E.)

HOTELS (1)
Warner Holidays A

INDUSTRIALS (16)
Alpine — Jardine Matheson
Arenson (A.) — Manch. Ship Canal
Bodycote Int. — Martin-Black
Bridport-Gundry — Pentos
Christie-Tyler — Pitney Bowes Loan
Elliott Peterborough — Stonehill
Continental Group — Unilever
Erskine House — Whitecroft

INSURANCE (2)
G.R.E. — Taisho Marine

LEISURE (1)
Trident TV A

MOTORS (4)
Genl. Motors Units — Gates (F. G.)
E.R.F. — Hanger Invs.

PAPER (1)
Bunzl Pulp

PROPERTY (1)
HK Land

SHIPPING (2)
British & C'wealth — Milford Docks

SHOES (1)
Wearra

TEXTILES (4)
Highams — Mackay (Hugh)
Lyles (S.) — Sirdar

TRUSTS (4)
F. & C. Eurotrust — Murray Clydesdale B
Jardine Secs. — N.M.C. Invs.

RUBBERS (1)
Rightwise

TEAS (1)
Ruo Estates

MINES (2)
Oilmin — South Crofty

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	89	—	1
Corpns. Dom. and Foreign Bonds	24	4	38
Industrials	199	229	969
Financial & Prop.	85	105	310
Oils	24	7	17
Plantations	1	12	14
Mines	56	35	63
Others	27	66	37
Totals	504	458	1,449

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Wed., April 9, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., April 8 Index No.	Thurs., April 3 Index No.	Wed., April 2 Index No.	Tues., April 1 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (173)	231.22	+0.4	19.17	6.88	6.58	230.23	232.36	232.81	232.44	272.54
2	Building Materials (28)	224.26	+0.3	18.04	7.02	6.98	223.65	225.30	225.49	226.69	256.39
3	Contracting, Construction (28)	348.28	−0.1	27.38	6.97	4.45	348.72	351.97	351.11	350.19	420.68
4	Electricals (16)	602.70	+0.8	13.62	4.18	9.71	598.19	605.08	606.86	607.16	656.40
5	Engineering Contractors (11)	273.05	—	27.69	9.41	4.62	272.94	272.94	273.35	270.28	401.37
6	Mechanical Engineering (74)	156.12	+0.3	22.03	8.46	5.73	155.66	157.52	157.75	157.42	202.97
8	Metals and Metal Forming (16)	160.77	+0.6	22.06	10.06	5.44	159.82	160.32	161.18	158.78	180.74
	CONSUMER GOODS										
11	(DURABLE) (49)	206.55	+0.6	16.18	6.12	7.62	205.22	207.02	207.61	206.36	249.04
12	Lt. Electronics, Radio, TV (14)	291.79	+0.8	12.53	4.53	10.20	289.46	292.33	293.73	291.60	337.99
13	Household Goods (14)	107.09	+0.2	27.60	10.29	4.28	106.89	106.37	106.09	104.06	176.14
14	Motors and Distributors (21)	103.21	+0.3	23.45	9.47	5.07	102.86	103.78	103.69	103.68	128.51
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	210.94	+0.5	19.18	7.31	6.42	209.96	212.24	212.17	212.27	255.23
22	Breweries (14)	259.21	+0.7	17.06	6.78	6.88	257.32	261.85	262.58	261.39	291.14
23	Wines and Spirits (5)	291.03	+0.8	18.72	6.42	6.58	288.70	292.25	293.99	292.03	330.19
24	Entertainment, Catering (17)	288.36	+0.9	19.21	7.29	6.50	285.71	289.10	289.32	289.28	357.73
25	Food Manufacturers (21)	184.08	−0.7	21.27	7.95	5.77	185.33	186.59	186.37	187.36	223.80
26	Food Retailing (13)	290.40	−0.3	13.58	4.85	8.86	291.27	295.39	295.30	295.63	301.41
32	Newspapers, Publishing (13)	403.50	+1.0	25.17	7.46	5.41	399.37	401.58	401.93	399.88	465.67
33	Packaging and Paper (15)	126.75	+1.8	23.95	9.10	5.28	124.45	125.62	126.32	125.44	149.72
34	Stores (43)	211.27	+0.6	14.45	5.50	9.81	209.98	212.53	211.54	211.91	256.68
35	Textiles (24)	118.45	+0.6	30.46	13.00	4.10	117.70	118.38	119.30	120.00	178.27
36	Tobaccos (3)	203.08	+0.7	28.67	11.40	3.96	201.58	202.65	202.65	202.63	272.13
37	Toys and Games (5)	31.80	+0.9	47.29	15.96	2.60	31.51	31.89	30.50	30.00	96.08
41	OTHER GROUPS (97)	196.01	+0.7	17.95	7.46	6.66	194.71	197.36	197.61	197.26	222.88
42	Chemicals (16)	294.49	+0.9	21.08	8.15	5.43	292.00	295.47	296.41	296.38	312.19
43	Pharmaceutical Products (7)	195.98	+1.6	13.10	6.67	9.26	192.81	196.74	198.91	200.21	260.54
44	Office Equipment (6)	109.08	+0.5	19.45	7.51	5.93	108.55	109.97	110.39	109.56	145.86
45	Shipping (11)	451.30	−0.3	12.27	6.68	10.09	452.78	459.78	455.75	452.89	444.55
46	Miscellaneous (57)	229.30	+0.3	18.01	7.29	6.97	228.66	231.48	230.56	229.31	256.14
49	INDUSTRIAL GROUP (492)	218.86	+0.5	18.67	7.15	6.59	217.73	220.12	220.30	220.07	259.05
51	Oils (8)	756.77	+3.4	29.03	6.73	3.67	732.20	748.64	737.35	738.53	662.96
59	500 SHARE INDEX	261.27	+1.1	20.92	7.06	5.62	258.37	261.84	261.16	260.43	292.06
61	FINANCIAL GROUP (118)	187.83	+0.8	—	6.41	—	186.37	188.72	188.71	190.09	205.74
62	Banks (6)	203.97	+1.5	47.68	7.51	2.56	201.01	205.16	206.05	208.73	242.96
63	Discount Houses (10)	212.70	+0.3	—	9.38	—	212.08	211.87	213.61	212.00	267.14
64	Hire Purchase (5)	190.83	+2.2	17.21	5.20	7.54	186.79	189.99	191.60	192.39	191.44
65	Insurance (Life) (10)	168.30	+1.5	—	7.11	—	165.76	166.59	166.38	168.07	171.80
66	Insurance (Composite) (9)	120.94	—	—	8.48	—	120.98	122.21	121.29	123.94	147.32
67	Insurance Brokers (10)	285.89	+0.6	17.24	7.12	8.17	284.16	287.38	286.70	291.40	322.71
68	Merchant Banks (14)	98.82	+0.2	—	6.31	—	98.58	99.63	98.58	98.37	97.28
69	Property (45)	358.25	+0.5	3.64	3.12	39.47	356.34	360.79	362.02	359.01	345.88
70	Miscellaneous (9)	128.09	+0.6	16.28	7.14	8.13	127.37	127.95	127.78	127.51	126.17
71	Investment Trusts (109)	203.55	−0.1	—	6.40	—	203.67	207.03	207.45	205.79	238.97
81	Mining Finance (4)	188.91	+0.5	12.20	4.68	9.95	187.96	184.88	188.59	185.54	133.47
91	Overseas Traders (19)	391.48	+0.1	12.91	6.88	9.49	391.12	396.58	399.48	396.17	366.69
99	ALL-SHARE INDEX (750)	243.67	+1.0	—	6.84	—	241.36	244.40	244.15	243.70	268.21

FIXED INTEREST PRICE INDICES

	British Government	Wed., April 9	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.82	+0.24	—	2.55
2	5-15 years	105.58	+0.70	—	2.68
3	Over 15 years	109.13	+0.95	—	3.38
4	Irredeemables	122.13	+1.27	—	1.78
5	All stocks	105.18	+0.63	—	2.83

FIXED INTEREST YIELDS — British Govt. Av. Gross Red.

			Wed., April 9	Tues., April 8	Year ago (approx.)
1	Low Coupons	5 years	12.86	12.97	9.23
2		15 years	12.68	12.80	10.18
3		25 years	12.67	12.80	10.77
4	Medium Coupons	5 years	14.71	14.83	10.85
5		15 years	14.29	14.43	11.47
6		25 years	14.10	14.23	11.61
7	High Coupons	5 years	14.78	14.88	11.23
8		15 years	14.61	14.73	11.85
9		25 years	14.50	14.64	11.88
10	Irredeemables		12.21	12.37	10.60

		Wed., April 9 Index No.	Wed., April 9 Yield %	Tues. April 8	Thurs. April 3	Wed. April 2	Tues. April 1	Mon. March 31	Fri. March 28	Thurs. March 27	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.31	†14.97	49.26	49.26	49.26	49.27	49.27	49.26	49.34	60.90
16	Investment Trust Prefs. (15)	46.88	14.12	46.88	46.88	46.96	46.96	46.96	46.95	46.96	58.63
17	Coml. and Indl. Prefs. (20)	61.03	14.67	61.05	61.08	61.25	61.19	61.23	61.14	60.92	74.78

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

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ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Shell Transport	25p	10	344	+12	410	314
Burmah Oil	£1	7	214	+ 9	249	162
Barclays Bank	£1	6	398	+ 6	452	392
Land Securities	50p	6	290	+ 3	308	244
Premier Cons.	5p	6	71	+ 2	87	39½
Racal Electronics	25p	6	225	+ 7	241	175
BAT Inds.	25p	5	238	+ 3	271	226
Beecham	25p	5	115	+ 3	134	112
BP	25p	5	376	+12	412	328
British Vita	25p	5	144	—	180	126
GEC	25p	5	366	+ 3	388	326
Grand Met.	50p	5	125	+ 3	145	120
ICI	£1	5	370	+ 4	402	353
Tilling (T.)	20p	5	131	—	137	102
Ultramar	25p	5	536	+12	538	412

OPTIONS

DEALING DATES

First Deal- ings	Last Deal- ings	Last Declara- tion	For Settle- ment
Mar. 31	Apr. 19	July 10	July 21
Apr. 21	May 2	Aug. 7	Aug. 18
May 6	May 17	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Calls were dealt in Tricentrol, UDT, House of Fraser, Lonrho, FNFC, Letraset, Bowater, W. L. Pawson, Culter Guard Bridge, Courtaulds, Tootal, Cons. Gold Fields and Chloride. No puts were reported, but a double was arranged in Rustenburg Platinum.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✦ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Overseas Traders	+17.67	Industrial Group	+ 4.83
Gold Mines FT	+16.49	Office Equipment	+ 4.61
Mining Finance	+16.06	Entertainment and Catering	+ 4.48
Electronics, Radio and TV	+13.01	Other Groups	+ 4.02
Hire Purchase	+12.98	Newspapers and Publishing	+ 3.95
Contracting and Construction	+12.85	Mechanical Engineering	+ 3.93
Property	+12.51	Consumer Goods (Non-durable) Group	+ 3.05
Metal and Metal Forming	+10.30	Financial Group	+ 2.19
Stores	+ 9.84	Breweries	+ 1.77
Merchant Banks	+ 9.84	Tobaccos	+ 1.31
Electricals	+ 8.83	Insurance (Composite)	− 0.57
Packaging and Paper	+ 7.98	Pharmaceutical Products	− 0.63
Capital Goods Group	+ 7.88	Motors and Distributors	− 0.73
Consumer Goods (Durable) Group	+ 7.79	Food Retailing	− 0.96
Building Materials	+ 7.39	Wines and Spirits	− 1.51
Shipping	+ 6.76	Food Manufacturing	− 2.55
Insurance Brokers	+ 6.21	Discount Houses	− 3.29
Insurance (Life)	+ 5.99	Engineering Contractors	− 5.12
Investment Trusts	+ 5.81	Textiles	− 6.27
Chemicals	+ 5.15	Household Goods	− 8.17
Oils	+ 5.15	Banks	− 8.77
All-share Index	+ 5.03	Toys and Games	−33.79
500-share Index	+ 4.90		

† Percentage changes based on Tuesday, April 8, Indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. ....|$US9.51 9.72| ....|—
Prices on March 24. Next dealing April 12.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund ....|88.0 91.0| ....|13.20
TSB Gilt Fd. (Jsy.) ....|88.0 91.0| ....|13.20
Prices on April 9. Next sub. day April 16.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.7	50.3	-0.2	1.99
Abbey Capital	35.1	37.9	+0.1	6.07
Abbey General	45.6	48.7	+0.1	6.08
Abbey Gilt & F.I. Tst.	100.1	106.5	+0.3	4.69
Abbey Income	40.3	43.6	-0.1	9.00
Abbey Intl. Bd. Tst.	92.9	98.3	-0.9	5.60
Abbey Inv. Tst. Fnd.	35.5	38.4	-0.2	6.50
Equitas Prog. Trust	67.6	73.1	+0.1	6.13

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	89.5	94.3	.....	13.38

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	72.7	77.4	.....	6.17
Brit. Inds. Fund	66.9	71.6	-0.1	6.28
Growth & Income	40.4	43.2	+0.1	5.83
Elect. & Ind. Dev.	36.1	38.6	.....	3.44
Allied Capital	73.0	78.1	-0.1	3.95
Hambro Fund	113.9	121.9	+0.1	6.62
Hambro Acc. Fund	139.6	149.4	+0.3	5.62
Income Funds				
High Yield Fd.	64.4	69.1	-0.4	10.71
High Income	66.9	71.6	-0.1	8.42
A. H. Eq. Inc.	39.6	42.4	-0.1	8.42
International Funds				
International	26.4	28.2	-0.2	3.84

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. Mar. 21	203.9	217.5	.....	5.65

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.4	19.3	.....	7.18
Gt. Winchester O'seas	20.3	22.0	.....	5.43

Emson & Dudley Tst. Mngmt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	77.4	83.2	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	70.5	74.2	+0.1	5.65

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	22.8	24.1	.....	1.00
Fixed Interest	25.3	26.7	+0.1	13.00
Growth + Income	28.7	30.3	+0.1	8.10
Special Sits.	27.5	29.0	.....	3.40

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.9	27.8	+0.2	2.51
Accum. Units	31.4	33.8	+0.3	2.51
J. Finlay High Income	31.2	33.5	.....	10.59
J. Finlay Euro. Fin.	19.4	20.9	-0.1	4.00
Accum. Units	24.2	26.1	+0.2	4.00
J. Finlay Fd. In. Tst.	30.0	32.3	-0.5	5.85
Accum. Units	36.2	38.9	-0.7	5.85

Prices on April 9. Next dealing April 16.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

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(Accum. Units)	51.0	54.2	-0.2	5.08
Extra Income Trust	47.0	49.8	.....	10.57
Income Tst.	35.6	37.8	-0.2	8.80
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(Accum. Units)	43.0	45.6	-0.4	2.33

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INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
122	100	Evans Leeds	108	—	†d2.5	2.3	3.3	19.2
248	174	Fairview Ests. 10p	248	+1	†7.91	7.7	4.6	2.9
21	18	Finance & Ind. 10p	19	—	1.2	2.0	9.0	7.2
243	186	Gt. Portland 50p	222	+2	15.0	1.5	3.2	44.9
61	43½	Green (R.) 10p	54xd	—	†d1.87	3.0	5.0	9.6
14¼	10	Greencoat 5p	12	—	—	—	—	6.5
124	94	Greycoat Ests. 10p	112	—	0.28	9.7	0.4	39.8
850	695	Hammerson 'A'	795	—	F18.0	1.9	3.2	73.1
38	32	Hardley Ind. Tst. 20p	32	—	—	—	—	—
312	262	Haslemere 10p	294	+4	14.47	2.2	2.2	26.6
138½	93½	HK Land. HK$5	93½	−3½	Q44c	ϕ	4.5	ϕ
605	480	Ivory Property	590	—	5.2	1.5	1.3	75.9
78	55	Jermyn Invest.	70	—	1.62	1.1	3.3	39.6
52	38	Kent (M.P.) 10p	52	—	h1.37	4.4	3.8	6.5
156	118	Laing Props. 'A'	146	—	3.0	1.3	2.9	38.3
51	41½	Land Invest.	49	−1	d1.0	1.2	2.9	42.3
308	244	Land Secs. 50p	290	+3	6.5	1.3	3.2	34.0
£234	£188	Do. 5¾pc Cnv. '85	£219	—	Q5¾%	8.2	f2.7	—
£196	£159	Do. 6¼%Conv. '85	£182	−1	Q6¼%	8.2	f3.4	—
£183	167	Do.10%Conv. '95	£171	—	Q10%	8.2	f5.9	—
72½	53	Law Land 20p	65	—	1.25	ϕ	2.8	ϕ
188	135	Lend Lease 50c	168	—	tQ30%	2.0	4.6	10.8
317	226	Lon Prov Shp 10p	310	+8	1.3	2.6	0.6	73.5
89	74	Lon. Shop Prop	83xd	−2	t3.05	1.1	5.2	(22.6)
164	143	Lynton Hldgs. 20p	150	−1	t2.8	2.5	2.7	20.0
212	157	MEPC	192	+2	5.0	1.3	3.7	28.2
35	31	Marlborough 5p	35	—	t0.28	2.0	1.2	(43)
48	38	Marler Estates	43	—	†4—	—	—	41.6
24	18	McInerney 10p	18	—	22.03	2.0	15.6	3.1
155	130	McKay Secs. 20p	150	—	¶2.36	3.0	3.0	31.1
146	92	Mountview 5p	128	—	†1.5	7.8	1.7	11.0
185	147	Muckow (A. & J.)	180	—	†3.24	2.3	2.6	18.9
134	116	North Brit. Props.	119	—	2.5	1.7	3.0	28.3
140	113	Peachey	135	—	†3.0	2.4	3.2	19.0

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

MINES—Continued

CENTRAL AFRICAN

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	275	Coronation	315xd	+5	†Q54c	2.2	9.8
680	520	Falcon Rh.50c	600xd	—	†Q100c	1.7	11.5
47	34	Rhod'n Corp. 16⅔p	38	—	0.56	8.5	2.1
267	160	Roan Cons. K4	170	—	†Q0.12	ϕ	4.5
65	54	Wankie Col. Rh.1	57	—	†Q9c	1.5	11.3
54	28	Zam.Cpr.SBD0.24	30	—	—	—	—

AUSTRALIAN

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	23	—	—	—	—
24	12	ACM 20c	13	—	—	—	—
115	70	Bond Corp.	70	—	Q3.75	2.2	2.7
234	132	Bougainville 50 Toea	169	+1	sQ39½c	ϕ	12.4
265	195	BH South 50c	200	—	←—	—	—
25	11½	Canada Northwest	15	—	—	—	—
42	8	Carr Boyd 20c	23	−1	—	—	—
£26	£15¼	Central Pacific	£20½	−¼	—	—	—
356	230	Conzinc Riotinto 50c	258	—	Q15c	ϕ	3.0
39	17	Cultus Pacific N.L.	25	−2	—	—	—
50	20	Eagle Corp. 10c	26	+2	—	—	—
26¼	15¼	Endeavour 20c	16	−½	—	—	—
258	175	G. M. Kalgoorlie 25c	204	+4	†Q3c	—	0.8
372	260	Hamptn Areas 5p	340	—	3.5	2.8	1.5
45	30	Haoma Gold N.L.	40	—	—	—	—
72	41	Metals Ex. 50c	60	—	—	—	—
312	194	M.I.M. Hldgs. 50c	209	+3	†Q6.1c	1.8	3.9
40	18½	Minefields Expl.	40	+2	—	—	—
155	60	Mount Lyell 25c	80	—	—	—	—
28	15	Newmetal 20c	18	−1	—	—	—
35	12	Nickelore N.L.	13½	+½	—	—	—
207	138	North B. Hill 50c	146	−2	†Q12c	1.4	4.3
80	44½	Nth. Kalgurli	56	+2	—	—	—
165	90	Nth. Mining Corp.	122	—	—	—	—
43	24	N. West Mining N.L.	38	—	—	—	—
235	158	Oakbridge $A1	158	—	Q12c	4.7	3.9
122	70	Otter N. L.	70	−3	—	—	—
230	128	Pacific Copper	200	−2	—	—	—
465	275	Pancont'l 25c	295	−5	—	—	—
78	46	Paringa M&Ex.5p	48	—	—	—	—
495	345	Peko-Wallsend 50c	370	+5	†Q17.5c	ϕ	2.4
230	140	Seltrust A	158	−2	—	—	—
£10¾	575	Southern Pacific	775	−50	—	—	—
75	31	Swan Resources 20c	45	—	—	—	—
13	12	West Coast 25c	12	—	—	—	—
264	177	Westn. Mining 50c	198	−2	†Q7c	1.6	1.9
30	10	Westmex	15	—	—	—	—
94	56	Whim Creek 20c	90	—	—	—	—
24	10½	York Resources	15	—	—	—	—

TINS

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
34	26	Amal. Nigeria	31	—	t6.0	1.9	27.6
345	265	Ayer Hitam $M1	265	−5	‡Q290c	0.9	‡
67	48	Beralt Tin	48	−1	4.5	ϕ	13.4
185	149½	Berjuntai $M1	165	—	‡Q95c	1.0	‡
230	153	Geevor	200	−5	8.71	3.1	6.2
11	10	Gold & Base 12½p	10	—	—	—	—
365	310	Gopeng Cons.	325	−5	25.0	1.8	11.0
310	280	Hongkong	300	—	35.87	ϕ	17.1
105	90	Idris 10p	98	—	28.0	ϕ	11.7
15	14	Jantar 12½p	15	—	—	—	—
77	64	Kamunting $M0.50	70	—	Q47½c	1.1	15.2
320	300	Killinghall $M1	320	—	Q100c	ϕ	6.5
670	485	Malay Dredging $M1	615	—	mQ105c	2.6	3.6
33	26	Pahang	28	—	0.44	0.3	2.3
108	92	Pengkalen 10p	92	—	6.0	1.3	9.3
290	230	Petaling $M1	260	—	Q150c	1.4	11.7
70	57	Saint Piran	62	—	‡ϕ2.5	6.4	‡
44	30	South Crofty 10p	30	−2	‡3.0	2.0	‡
255	180	South Kinta $M0.50	205	−5	Q150c	1.0	14.9
400	340	Sthn Malayan $M1	390	−5	†Q175c	2.1	9.7
295	215	Sungei Besi $M1	250	—	†Q520c	1.0	42.4
39	22½	Supreme Corp. $M1	35xc	−4	hQ8c	—	4.7
100	95	Tanjong 15p	95	—	Z4.5	ϕ	6.8
95	80	Tongkah H. Tin	80	—	Q45c	1.3	12.6
275	220	Tronoh $M1	225	—	†Q25c	5.2	2.3

COPPER

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	190	+2	Q10c	ϕ	3.0

MISCELLANEOUS

1980 High	1980 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
160	78½	Anglo-Dominion	145	—	—	—	—
97	58	Barymin	72	—	—	—	—
15	12	Burma Mines 17½p	15	+1½	0.62	ϕ	—
502	330	Cons. Murch. 10c	370	—	MQ100c	1.8	15.5
585	325	Northgate C$1	390	+20	—	—	—
485	327	R.T.Z.	372	—	†11.5	3.4	4.4
33	16	Robert Mines	26	+1	—	—	—
58	27	Sabina Inds. C$1	35	+1	—	—	—
650	485	Tara Exptn. $1	505	—	—	—	—

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FINANCIAL TIMES

Thursday April 10 1980

Labour NEC approves conference

BY RICHARD EVANS, LOBBY EDITOR

LABOUR'S National Executive Committee yesterday gave the go-ahead for a special party conference, to be held at Wembley, north London, on May 31, after Mr. James Callaghan, the party leader, backed away from a confrontation with the Left which he would almost certainly have lost.

Mr. Callaghan had been reported unhappy with the proposal for a one-day conference attacking the Government's economic strategy, both on grounds of cost and because of the danger of finding himself committed to policies he could not support.

But, with very few of his supporters present at a poorly attended specially convened NEC meeting, Mr. Callaghan had to accept a compromise. This will permit the conference to go ahead, but will prevent new policy being formulated.

Mr. Callaghan was particularly anxious to prevent the Opposition committing itself prematurely to aggressive policies on widespread import controls and on withdrawal from the European Community—both issues on which the Left's attitude is hardening.

An NEC statement, to be drafted next week, will be put to delegates, based on existing party policy. No resolutions or amendments will be permitted. But it could still prove an embarrassmnt to the party lader. The Lft will have a clear majority on the drafting group of party officers, chairmen of committees, and senior officials. The statement will be put to th NEC on April 23 for endorsement.

Mr. Callaghan's supporters were putting the best face they could on the result of the meeting, though there is little doubt the Opposition leader has again been out-manoeuvred by the Left.

What must have been dispiriting for Mr. Callaghan was the almost total absence of moderate trades union leaders from the meeting.

Any attempt to overturn the NEC decision in these circumstances would have been abortive and would have gravely undermined Mr. Callaghan's authority.

The resolution endorsing the decision to hold the conference on May 31 was moved by Mr. Anthony Wedgwood Benn and seconded by Mr. Eric Heffer.

It was accepted by 14 votes to one with only Mr. John Golding of the Post Office Engineering Union voting against, because of a clash with his union conference.

It was then agreed that, although no amendments to NEC policy statement would be allowed, there would be "a clear understanding that all contributions made during the debate will be taken fully into consideration by the NEC."

The hope is that a conference registration fee of £5 will cover administration costs, including hire of the hall, at over £2,000, and printing.

Mr. Benn, a leading member of the NEC and former Energy Secretary, was fiercely attacked yesterday by Mr. Norman Lamont, a junior Energy Minister, for his campaign against the development of nuclear power.

Mr. Lamont, speaking in his Kingston-upon-Thames constituency, charged Mr. Benn with taking advantage of his position to arouse and exploit the fears of millions of people to capture a new patch of political ground.

"He seeks to use fear itself to shroud his ugly political aims.

"His campaign of fear, and of attack on unnamed civil servants, stoops well below acceptable standards of political conduct.

"It is a significant new departure in his career, and reflects frustration at the massive rejection of his ideas by the British people," Mr. Lamont said.

THE LEX COLUMN

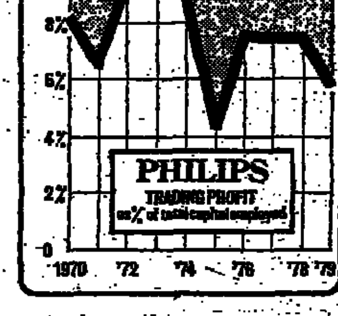
Tougher for BP downstream

BP's 1979 annual report paints the familiar picture of a remarkably profitable year for the oil industry—a picture that is already fading fast. Outside North America, where Sohio has plentiful supplies from Alaska, which BP is unable to export, the group is increasingly short of crude oil. After the loss of supplies from Nigeria and Iran, the renegotiation of the Kuwaiti contract has been disappointing. The contract to supply Veba with crude is now an embarrassment, and BP is a heavy buyer in the spot market.

On top of this, the product markets are steadily weakening, and BP's competitors in the Aramco consortium, with access to cheap Saudi crude, are using their competitive advantage aggressively. The result is that, at the margin at least, BP is operating at a loss downstream: the Continental product markets which began to make money for the oil companies early last year are a severe headache, particularly the German market. Petrochemicals are at last turning down—even in 1979, an exceptionally successful year, BP's chemical business earned only £75m pre-interest on assets employed of over £1.1bn, and this year will be nowhere near as good.

So BP's profits outside North America are once again uncomfortably dependent on the Forties field and tax management. BP is now pushing the line that last year's current cost return on capital, nearly 10 per cent, must be maintained (even if not in 1980) if the £1½bn a year capital spending programme is not to suffer. The balance sheet suggests no obvious difficulties with cash—net debt fell £½bn last year (greatly helped by Sohio) despite a near doubling of stocks.

Index rose 4.6 to 431.3



Croda International

While the haulage strike was blamed for Croda International's pre-tax decline in the first half, trading margins have been squeezed even more in the second six months and pre-tax profits for the year have emerged 2.5 per cent lower at £14.7m. The key deterioration has been caused by fierce competition in food gelatines—the £1m contribution from the gelatines division has been transformed into a £¼m loss. Volume and margins fell in edible oil refining and oleochemicals, while there was an improved performance in polymers. Overseas business has been strong, particularly in the U.S., Australia and South Africa, as have been exports.

There seems little prospect of the company moving from its five-year profits plateau in the current year. While gelatines should be back in balance, interest charges will rise to £3m in the first half, double the level of the same period in 1979. Sales are below target so far, mainly because of the steel strike and an internal dispute, while it may prove difficult to pass on sharply higher energy and labour costs. Pre-tax profits in 1980 are likely to be about £13m.

In spite of £11m extra borrowings, the balance sheet remains in good shape, though plans to control working capital—up 37 per cent last year—will have to be effective to prevent a further cash outflow. The share price was unchanged yesterday at 48p, for a yield of about 6 per cent and prospective p/e of about 7, fully-taxed.

Philips

Philips' annual report makes clear the damage inflicted on the group by the European colour TV price war. Thus trading profits earned by the home electronics division tumbled by Fl 360m to Fl 424m, while the industrial supplies sector (which produces picture tubes and other components) deteriorated by over Fl 200m and finished with a slight loss. The combined deterioration in these sectors was nearly Fl 600m, about half of which was offset by improvements elsewhere; the best performance produced by the professional systems sector, which includes telecommunications. Geographically most of the overall profit setback has been suffered in the Netherlands, where large provisions have been established to cover restructuring needed to cope with high labour costs.

Not surprisingly, the failure to meet sales and profit targets pushed Philips into a large financial deficit in 1979. Net cash flow of Fl 2.3bn compared with capital spending of Fl 2.7bn and another Fl 1.6bn absorbed by working capital. The deficit of around Fl 2bn was financed half long term and half short term.

One priority for the group this year is clearly going to be to get working capital back under control. The demand background is not expected to be favourable—volume growth is forecast to slow down to 5 per cent from last year's 6 per cent. But there could be some benefits from rationalisation, helping the retur non capital to pick up from the 1979 level, which was the second lowest of the past decade.

Yet at Fl 18.4 the shares languish on a p/e of 5.6, and sell at little more than a quarter of net worth. But though the balance sheet, boosted by revaluations, could be said to be a little flattering, the reverse applies to profits, which are based upon replacement depreciation and cost of sales, and are roughly like SSAP 16 figures without the gearing adjustment. With net interest charges now absorbing two-fifths of trading profits, and Dutch inflation rising a little, Philips may soon be taking another look at the merits of a gearing adjustment.

Gilt-edged

Last week the Government Broker won a notable victory over the gilt-edged bears, by refusing to cut his price in the long tap and eventually selling his supplies of the stock at a higher level. Yesterday—perhaps to reassure the market that the rules have not suddenly changed—he gave in, like a generous sportsman, and lowered the price of the short tap, Exchequer 13¼ per cent 1983, by a modest 1⅛ points—largely, it appears, to allow the jobbers to cover a substantial bear position.

Whether the GB's motive was to sell stock at any price or to bail the jobbers out of an uncomfortable spot is a moot point. At least by selling yesterday at £95½ instead f the day before at £95⅝ he was able to remind the market of last week's lesson tha going short of a tap stock is not an infallible way of making money out of the taxpayer.

Belgium's Premier resigns

By Giles Merritt in Brussels

MR. WILFRIED MARTENS, Belgium's Prime Minister, resigned yesterday, after failing to resolve his coalition Government's third political crisis in five months.

Belgium now faces renewed political and economic uncertainty—a new and effective government is likely to take several months to emerge.

Mr. Martens, aged 44, is, therefore to stay in a caretaker capacity either until there is another coalition or until after a general election which would probably not be held much before mid-June.

Mr. Martens decision to resign came after almost a week of talks aimed at defusing the crisis. However, it was his inability to quell milkants in his own CVP Flemsh Christian party that made his position untenable.

This latest Belgian political crisis, like the 35 previous ones that have erupted in the post-war years, stems from the countrys intractable "language war between the Dutch-speaking Fleming and Franco-phone Walloon communities.

A revolt by nine CVP senators against the Martens Government's legislative programme for awarding regional self-government powers to Flanders, Wallonia and the Brussels area began a fortnight ago and last week led to the Government losing what amounted to a confidence vote in the Senate.

The CVP rebels were protesting against measures to confer limited autonomy on mainly francophone Brussels, which they regard as a sell-out at the expense of the citys Flemish minority.

Mr. Martens had submitted his resignation to King Badouin on April 3, but the King decided not to accept that until further efforts were made to save the coalition.

It had been hoped that Mr. Martens' Government, with its brief to create a more federal state and take tough economic made more durable by the realisation that there was no ready alternative.

The damaging effects of the political vacuum that had existed following Mr. Leo Tindemans' resignation from the Premiership in mid-October, 1978, appeared a major factor in Mr. Martens's favour.

The outcome of the present crisis is now extremely uncertain. King Baudouin yesterday initiated a new round of talks between party leaders amid growing speculation over an emergency tripartite government, in which Belgiums right-wing Liberals would return to power together with the Social Christians and Socialists of the two communities.

Lancia is helping dealers to buy back Beta model

BY JOHN GRIFFITHS

LANCIA admitted yesterday that it has been helping its 120 dealers to buy up 5 to 6 year old Beta models which have badly corroded. The cars are being crushed.

Just over 500 have been bought up during the past two years, another 40 are being inspected and Lancia believes another 400 may be repurchased and treated in the same way.

Half the cars were said to be 1973 and 1974 models, with most of the rest from 1975. The decision to scrap the cars, made at the Turin headquarters of Fiat, Lancia's parent, was taken after it was found that rust had attacked engine mountings at the rear of the cars' front sub-frames, in some cases causing the engine to drop about three inches.

Lancia claimed yesterday that a dropped engine would make the car unroadworthy but it would not represent a safety hazard under the terms of the code of practices between the Department of Transport and the Society of Motor Manufacturers and Traders.

The department may investigate the matter.

The £1m cost of buying in 1,000 cars at an estimated £1,000 each is not being borne entirely by Lancia. More than half the cars were being acquired under trade-in deals with dealers.

Lancia said yesterday most owners with the problem were being offered the trade-in value of their cars plus an element of compensation. Owners worried about safety could have checks made by the dealer.

There was confusion yesterday about the extent of the problem. Company officials in Turin said that it was confined to right-hand drive models for the UK but Lancia in Britain apparently believed that it had appeared elsewhere in Europe.

The Beta model itself underwent design changes to te structure surrounding the mountings in 1977 and the problem is said to have since been solved.

Lancia admitted yesterday that revelation of the buy-back deal threatens to damage Lancia's hopes of a major expansion this year of its UK sales.

Lancia's share of the UK market fell last year from 0.74 per cent to 0.54 per cent, representing 8,951 sales but a target of 12,000 has been set for this year.

Background, Page 6

Brazil in second Euroloan

By Peter Montagnon

AFTER several weks' hesitation, Brazil has decided to borrow in the Euromarket again. Its development agency, Banco Nacional do Desenvolvimento Economico (BNDE) is to raise a $350m (£164m) syndicated credit through Bank of Montreal.

This will be the country's second major international borrowing this year. The terms are only slightly stiffer than those on the $250m 10-year deal announced by the state oil concern Petrobras in early March.

The new loan will be in two tranches.

One—$275m for eight years—bears a margin of ' per cent above London interbank rates for the first four years, rising to 1 per cent thereafter.

The other—$75m over 10 years—bears a margin of 1 per cent for five years, rising thereafter to 1⅛ per cent.

These terms represent an increase of margins for Brazil by about ⅛ point since the Petrobras deal was organised. It was widely expected in view of Brazil's heavy borrowing requirement this year.

But the conditions still appear to represent an achievement for BNDE, by no means such a highly rated borrower as the oil concern.

According to Bank of Montreal, at present assembling a group of banks to manage the loan, BNDE is paying more than usual in fees. Details were not disclosed.

News of the credit means Brazil's 1980 borrowing programme is well under way, after its late start.

Most of the borrowing, expected to total some $10bn, is still to come. The pace must be accelerated if total requirements are to be met.

Until this happens, Brazilian borrowing is likely to remain of some concern to international bankers. Most predict a further significant rise in margins for Brazil during the remainder of the year.

Euromarkets, Page 28

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Short tap stock sale maintains momentum of funding

There was also outside demand, and for gilts generally. Some long-dated stocks rose by up to £1.

The sales have increased existing shortages of liquidity caused by large tax and oil payments into the Exchequer.

The pressures are regarded as temporary, although unusually long drawn out. The Bank of England has therefore been prepared to provide continued large assistance.

Consequently, it yesterday announced a second extension of its £500m loan to the clearing banks. The loan, involving a switching of gilt-edged holdings, has been extended from April 14 to May 19.

This will ease the particular pressure on the clearers caused by high money market interest rates. These have allowed top quality customers to borrow from them and to re-lend, or round-trip, at a profit to the market.

The loan is in addition both to £1bn of special deposits released t o the market since January and to continuing day-to-day Bank assistance.

The official view is that, given the tightening of fiscal policy in the Budget, it would be wrong to allow temporary pressures to push up interest rates now. It is hoped the rate of monetary growth will soon slacken.

Continued from Page 1

U.S. diplomats seek EEC aid on Iran sanctions

against Iran would not have serious consequences for the Community.

Last year only 6.5 per cent of EEC oil imports came from Iran, down from 16.4 per cent the year before when Iran supplied almost 78m tonnes of oil. At the same time, EEC exports to Iran as a proportion of total Community exports dropped to just 1 per cent by the first half of last year, as against 3.5 per cent the year before.

West Germany, Iran's major western trading partner, has the most to lose. The readiness of the West German Government to support the U.S. against Iran if the rest of the EEC is prepared to take similar measures emerged yesterday after a Bonn cabinet meeting chaired by the Foreign Minister, Herr Hans Dietrich Genscher, at which the Iranian situation was the main topic.

Herr Genscher explained Bonn's view to EEC colleagues at a meeting in Lisbon last night of the Council of Europe ministerial committee. Discussions of a joint stand by the EEC are expected to be continued by members' permanent representatives in Brussels.

In London, U.S. suggestions that the British ambassador be recalled from Tehran and other sanctions imposed were also being considered. The American ambassador, Mr. Kingman Brewster, paid a visit to the Foreign Office yesterday for a second meeting with Sir Ian Gilmour, Lord Privy Seal and Deputy Foreign Secretary. This was to clarify a point arising from a previous meeting on Tuesday.

Weather

UK TODAY

MAINLY dry, with near normal temperatures.

London, England, Wales, Scotland except N.W., Isle of Man, Channel Islands, N. Ireland
Dry, bright intervals. Max. 11C (52F).

N.W. Scotland, Orkney, Shetland
Cloudy, possibly drizzle later. Max. 8C (46F).

Outlook: Dry, sunny intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	12	54	L. Plms.	F	21	70
Algiers	C	11	52	Locarno	S	14	57
Amsdm.	C	7	45	Lisbon	S	18	64
Athens	S	16	61	London	S	12	54
Bahrain	S	28	82	Luxmbg.	C	5	41
Barclna.	S	15	59	Madrid	S	13	55
Beirut	F	23	73	Majorca	F	10	50
Belfast	C	9	48	Malaga	S	16	61
Belgrd.	C	7	45	Malta	F	15	59
Berlin	R	3	37	M'chstr	C	9	48
Biarritz	F	10	50	Melbne.	S	21	70
Bmghm.	C	10	50	Milan	S	13	55
Blackpl.	C	8	46	Mntreal.	R	7	45
Bordx.	F	10	50	Moscow	Sn	2	36
Boulgn.	F	7	45	Munich	F	2	36
Bristol	F	10	50	Nairobi	C	23	73
Brussels	F	6	43	Naples	C	10	50
B. Aires	S	24	76	N. York	R	11	52
Budpst.	C	8	46	Nice	S	15	59
Cairo	S	30	86	Nicosia	C	19	66
Cardiff	C	10	50	Oporto	S	17	63
Cas'b'ca	S	19	66	Oslo	S	6	43
Cape T.	C	21	70	Paris	C	6	43
Chicago	Sn	2	36	Perth	C	23	73
Cologne	C	6	43	Prague	F	5	41
Cpnhgn.	C	6	43	Reykjvk.	F	5	41
Corfu	C	14	57	Rhodes	R	14	57
Dublin	C	10	50	Rio J'o	S	29	84
Dbrvnk.	C	12	54	Rome	R	9	48
Ednbgh.	F	11	52	Salzbrg.	F	3	37
Faro	S	21	70	Singapr.	S	31	88
Florence	C	10	50	Strasbg.	F	7	45
Frankft.	F	6	43	Sydney	C	20	68
Funchal	C	18	65	Tangier	S	21	70
Genova	F	6	43	Tehran	S	19	66
Gibrltr.	S	18	64	Tel Aviv	S	28	82
Glasgow	C	9	48	Tenerife	F	18	64
G'msey	S	9	48	Tokyo	C	17	63
Helsinki	C	4	39	Toronto	R	9	49
H. Kong	S	25	77	Tunis	F	16	61
Innsbrk.	Sn	3	37	Valencia	S	17	63
Invrnss.	C	10	50	Vienna	R	6	43
Istanbul	S	17	63	Warsaw	C	4	39
Jersey	S	9	48	Zurich	F	6	43
Jo'burg	C	20	68				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Iranian oil price rise challenged

BY CHARLES SMITH IN TOKYO AND RAY DAFTER IN LONDON

JAPANESE and European oil companies, including Shell and British Petroleum, are expected to challenge Iran's latest $2.50 a barrel oil price rise which took effect on April 1.

Behind-the-scenes discussions, between both the Japanese and British Governments and between civil servants and oil industry executives, suggest that companies may try to persuade the Iranians to change their minds.

There is a general industry view that the new effective price of Iranian light crude oil, at $34.37 a barrel, is out of line with other prices. At the other extreme, for instance, Saudi Arabia is still charging a basic $26 a barrel for its light "marker" crude.

Japan and the UK between them purchase the bulk of Iranian oil exports. Japan is Iran's biggest foreign customer, taking about 500,000 barrels a day.

BP has had its Iranian supplies cut significantly in the past year, but it still takes 125,000 b/d. Shell purchases 95,000 b/d under firm contracts and buys an additional 25,000 b/d under a processing deal.

The Japanese and British Governments feel that the two countries' purchasing power might help to dampen Iran's pricing demands.

'There is a general industry view that the new effective price of Iranian light crude oil, at $34.37 a barrel, is out of line with other prices.'

It is felt in Japan that the latest measures taken by the U.S. against Iran, and the possibility of them spreading, could delay consultations between the National Iranian Oil Company and oil companies.

While the Japanese and British Governments have been in touch with each other and the oil companies, British officials emphasised that groups like BP and Shell must take their own commercial decisions.

Sir David Steel, BP's chairman, said negotiators from his company would be flying to Tehran this weekend to discuss the pricing position with the NIOC.

Royal Dutch/Shell said in London: "We are concerned about the effect of rising prices and the competitiveness of Iranian oil and we have requested a meeting with NIOC to discuss this matter. We hope that the meeting will take place shortly."

This is not the first time that the British and Japanese Governments have kept in touch with each other over oil policies.

There were consultations early last year when Japanese oil importers began negotiations on a major import contract. The two Governments, however, did not contact each other last autumn when Japanese oil companies were buying heavily on the spot market, or apparently at the beginning of this year when British companies led Japanese oil importers in deciding to accept Iranian supply contracts.

Iran is the second biggest oil supplier to Japan, accounting for more than 10 per cent of Japanese imports. The interruption of Iranian oil exports in retaliation against any economic sanctions would be a severe blow to Japan. But it would not cause an immediate crisis, because oil stocks in Japan are high after extremely heavy imports towards the end of last year.

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